

# **QUALITY CHILDCARE**

## **FROM A SOCIAL PARTNERSHIP PERSPECTIVE**

**REPORT BY AN IBEC/ICTU SUB-COMMITTEE  
PREPARED IN THE CONTEXT OF SUSTAINING  
PROGRESS**

**NOVEMBER 2005**

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## INTRODUCTION

The development of childcare to support working parents has been a key element of the partnership approach underpinning Irish economic and social development since 1997, when Partnership 2000 led to the establishment of an Expert Working Group which developed the National Childcare Strategy.

The need to expand quality childcare services to support the labour market by enabling parents to engage in employment, education and vocational training is widely documented.

The need for childcare services to be of high quality as well as being accessible and affordable, with adequate flexibility to meet the differing needs of parents and children, is also widely endorsed.

However, while the delivery of the Equal Opportunities Childcare Programme (EOCP) 2000 - 2006 has been a significant success of Government policy and the partnership process, there remain many unmet needs.

This Report by ICTU and IBEC reviews the progress to date and seeks to address a number of key issues and the actions necessary for further progress.

### *Background to the Sub-Committee's work*

The importance of quality childcare has continued to be a focus in partnership discussions and the present Sub-Committee stems from the Social Partnership Agreement *Sustaining Progress 2003 – 2005*. This provided<sup>1</sup> for the establishment of a Partnership Sub-Committee, with representatives of ICTU and IBEC and a secretariat provided under the EOCP.

The Sub-Committee has considered recommendations on how to improve the availability of quality childcare for working parents and how the supply of pre and after school care can be accelerated.

The Sub-Committee reported to the Mid-Term Review (2004) of Sustaining Progress the following:

“An IBEC/ICTU Committee under Sustaining Progress is considering how the availability of quality childcare for working parents might be improved, with a particular emphasis on the feasibility of establishing workplace childcare arrangements. It will undertake a mid-term review of its progress to date and resources and will develop a work plan by end-year, which will include appropriate timescales for further progress.”

Following the Mid-Term Review, it became increasingly clear to the Sub-Committee that a broader view of childcare should inform its report. With the EOCP and the present Partnership Agreement coming close to conclusion, the Sub-Committee attempted to build a consensus approach into its report on childcare.

Both IBEC and ICTU wish to acknowledge the contribution made by Ms Sylva Langford, Assistant Secretary, and by the staff of the Childcare Directorate, Department of Justice, Equality and Law Reform, in facilitating this work.

November 2005

### **Note on definition of childcare:**

For the purposes of this Report, ‘childcare’ refers to the day care facilities and services for pre-school children and school-going children out of school hours. It includes services offering care, education and socialisation opportunities for children to the benefit of children, parents and employers and the wider community. Thus, services such as naíonraí, day care, crèches, play groups, childminding and after-school groups *are* included but schools (primary, secondary and special) and residential centres for children, *are not*.

This definition was also used by the Partnership 2000 Expert Working Group.

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<sup>1</sup> Part 2, Pay and the Workplace; Point 12.6 – Workplace Childcare

## MEMBERSHIP OF SUB-COMMITTEE<sup>2</sup>

The sub-Committee met at regular intervals between June 2003 and October 2005. At time of finalising the report the membership was:

IBEC	Ms. Maria Cronin Ms. Heidi Lougheed
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ICTU	Ms. Rosheen Callender Ms. Paula Carey Mr. David Joyce
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The secretariat for the Sub-Committee was provided by the Childcare Directorate of the Department of Justice, Equality and Law Reform.

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<sup>2</sup> Ms Jackie Harrison of IBEC served on the Committee until September 2003, when she was replaced by Ms Cronin. Ms Joan Carmichael of ICTU served on the Committee until January 2004 and was replaced by Mr Joyce. Ms Carey joined the Sub-Committee in September 2005.



## **PART I**

### **CHILDCARE IN IRELAND TO DATE**



## CHAPTER 1

# THE INCREASING DEMAND FOR CHILDCARE IN IRELAND

### 1.1 Introduction

The growth of the Irish economy and the increased opportunities this has brought have helped to create an awareness of the importance of providing quality childcare to serve a number of societal goals. These include increased labour market participation and the reduction of social inequality from both gender and poverty perspectives. This duality is summarised in the OECD's review of work and family life in Ireland, Austria and Japan, *Babies and Bosses – Reconciling Work and Family Life*:

“The reconciliation of work and family life directly involves two goals that are important both to individuals and societies; the ability to participate fully in the labour market, generating income but also seeking fulfilment in the most important social activity of modern life, and to provide the best for one's own children, giving them the care and nurturing the need.”.

This has been a focus of partnership discussions in Ireland for a decade, directly influencing the creation of the National Childcare Strategy and the Equal Opportunities Childcare Programme 2000 – 2006 (EOCP). While the structured development of childcare in Ireland has lagged historically behind the rest of Europe, the impact of the EOCP has begun to make strides towards the provision of a more widely available service. To build further on the progress that has been made to date in relation to the development of a quality childcare sector, IBEC and ICTU recognise that there are still wide-ranging issues outstanding including the fundamental issues of affordability and accessibility of childcare.

The pace of delivery of such a Programme is deemed by those who monitor the progress of the National Development Plan to be good, but such is the need for quality childcare on the ground and such is the low base from which we started that there is still considerable active debate on the many issues which relate to the childcare sector.

### 1.2 Why should a society develop childcare?

Access to childcare is one of a range of social supports that can ease the entry or re-entry of parents – usually, but not exclusively, mothers – into the workforce. It can also enable parents to remain in the labour force, or to access education or vocational training, either to advance their career opportunities or to facilitate career change.

There is ample international evidence to support the argument that labour force participation enhances the life opportunities of families, particularly those who might be experiencing disadvantage. Similarly, there is evidence that early intervention through well-structured early years programmes can assist young children in their educational achievement. Again, the benefits are most pronounced for children who might be coming from particularly disadvantaged families.

In 1998, Goodbody Economic Consultants<sup>3</sup> reported that:

“There is evidence that childcare supports encourage mothers to remain in the labour market and extend their hours of work...High quality childcare will have a positive benefit on the child's development especially if it contains a significant element of early education while high quality childcare may offer opportunities for development of their children that the home environment cannot.”.

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<sup>3</sup> Goodbody Economic Consultants, 1998, *Study on the Economics of Childcare in Ireland*

Historically, the Irish State has had minimal involvement in the provision of early childhood care and education, except its involvement with child protection. Indeed, it is noteworthy that the State *facilitates the delivery of education* rather than *delivers education* in Ireland at all levels. Childcare services developed in an ad hoc manner, usually as local pre-school playgroups. The emergence of a strong community and voluntary sector and the development of a private sector, both in terms of small scale providers and larger scale, commercial providers, have been key elements in the development of childcare services.

One factor in the late development of childcare in Ireland is that, unlike most European states, Ireland did not participate directly in World War II. As a result, the same social changes, particularly in regard to women's participation in the labour force, did not arise and there was no specific impetus for Government intervention to support working parents until the economic and social developments of the 1970s and 1980s.

There is a wide range of views in society as to who should pay the costs associated with childcare. Across Europe, the models vary considerably, with central and local Government funding the entire cost of childcare in some Scandinavian countries, which have necessarily high tax regimes to fund their welfare state models. In other countries there is minimal state support, except for the most disadvantaged, accompanied by low tax regimes. Tax credits are available in certain circumstances in some of these countries such as the UK.

In Ireland, the main Government responses to date have been to invest in:

- increased payments of Child Benefit; and
- increased supply of childcare places under the EOCP.

Both of these measures, and other State interventions, are detailed and evaluated in later chapters.

There is diverse opinion on the support given by Government for childcare. There is also wide-ranging debate on whether such support should be through the tax system or through expenditure on the creation, either directly or indirectly, of childcare places. These issues are also examined in later chapters. First, it is necessary to look further at how and why childcare has become a critical issue in Ireland today.

### **1.3 Recent changes in Ireland**

A range of factors has influenced and added to the demand for the further development of quality childcare services in Ireland. Since the mid 1990's, Ireland has experienced a period of unprecedented economic growth coupled with a rapid increase in labour force participation rates, particularly among women. The increased participation rates clearly have a direct relationship to the increased need for childcare services. Based on present indicators, it appears unlikely that the current economic pattern will change or slow significantly in the short to medium term.

Ireland has also emerged from a period of major societal changes, many of which impact directly on the needs of parents for childcare services. Gender employment equality, underpinned by equal pay and equal treatment legislation originating in the 1970s, has also been promoted through legislation providing for maternity protection, parental and adoptive leave, and increased employment protection rights, particularly in regard to part-time workers many of whom are women.

Labour force participation by women is likely to increase even more significantly in the future, particularly in the area of highly skilled employment, given the now very high female participation rates in third level education. This suggests that a major issue for employers in the future will be the retention of highly skilled women employees, many of whom will have childcare requirements. In addition, as women move increasingly into higher skilled employment, the number of women available to enter the childcare profession is likely to decrease.

In addition, demographic changes including changes in family size and patterns, and the loss of traditional family support systems, and the geographic spread in which people now live their lives, are contributing to the fact that the solution to the childcare service demand is increasingly being looked for and found in more structured, and more costly, environments.

#### 1.4 Rapid Economic Growth

The table below summarises recent economic change in terms of GNP growth, the increased number of persons at work and the fall in unemployment rates.

**Table 1(i): GNP growth, numbers at work and unemployment**

Year	Average annual real GNP growth rate	Persons at work '000	Unemployment rate
<b>1995</b>	-	1,282	12.2%
<b>2000</b>	+9.5%	1,692	4.3%
<b>2001</b>	+3.9%	1,745	3.6%
<b>2002</b>	+2.7%	1,777	4.2%
<b>2003</b>	+5.1%	1,811	4.4%
<b>2004</b>	+4.0%	1,865	4.4%
<b>2005 (f)</b>	+5.0%	1,920	4.2%

Source: GNP data 2000 – 2004 CSO, 2005 Department of Finance forecast from Economic Review and Outlook.

The rapid economic growth, shown in the table above, was driven by economic policy from the early 1990s involving exchange rate controls, social partnership and a reduction in the Exchequer Borrowing Requirement. A flexible and well-educated workforce, tax incentives and direct grant supports to expand the economy, and the promotion of sustained labour market stability achieved through social partnership, were key factors in the rapid economic expansion and greater prosperity for a significant part of the population.

Ireland's rapid economic growth in the last decade has placed major strains on the economic infrastructure on which it relies. The weaknesses and shortcomings of this infrastructure became deeper, and more apparent, throughout this period. Despite large scale investment by the Government in capital development, it was difficult to keep pace, let alone bridge the widening gap, between the demand for infrastructural services and what could be provided in the short to medium term. These strains have been felt even more sharply in our social infrastructure and the level and quality of services which it can provide.

Ireland's social infrastructure has, historically, developed at a slow and erratic pace hampered by poor levels of funding and a lack of joined up thinking. Apart from the social benefits reaped from quality and accessible service provision, ICTU and IBEC consider that, because of the interdependencies between social and economic factors, the objective of a Comprehensive Childcare Service should also be viewed as a necessary strategy in maintaining economic success. This point is particularly timely because the lack of accessible and affordable quality childcare services has been and continues to be a disincentive to participation in the labour force.

#### 1.5 Increase in labour force participation

Over the last 10 years the labour force in Ireland has risen by 556,000, which includes over 300,000 women. While the male participation rate has risen 4 percentage points (to almost 72%) in that decade, the female participation rate has grown by almost 12 percentage points in the same period to almost 51.5%.

**Table 1(ii): Labour force participation rate by women by age group**

Age Group	% of females of age group who are in labour force	% of those of age group in labour force who are female
15 – 19	22.9	44.1
20 – 24	68.5	47.8
25 – 34	77.1	45.1
35 – 44	66.5	41.5
45 – 54	63.3	41.5
55 – 59	46.4	38.3
50 – 64	28.2	31.9
65 +	3.3	23.4
TOTAL	51.4	42.2

Source: CSO QNHS 2nd Quarter 2005

The highest participation rates are in the age groups from 20 to 44 years, where almost two thirds of women are active in the labour market, and this peaks in the age range 25 to 34 years, where three quarters of all women are at work. These are the groups most likely to have children and therefore most likely to have childcare needs.

**Table 1(iii): Trends in Women's Employment**

Year	In employment*	Part-time
1990	400,400	67,300
1999	662,200	210,600
2000	700,500	211,700
2001	727,000	222,000
2002	741,700	229,500
2003	767,800	238,600
2004	801,700	251,900
2005	819,100	261,000

\*includes full-time and part-time workers. Source: ILO

Also noteworthy is the very significant increase in part time employment among women. In the period 1997 to early 2005, the number of women in full time employment grew from 405,700 to 552,500, an increase of 36.2%. In the same period, the number of women working part time grew from 182,100 to 257,600, an increase of 41.5%. The Quarterly National Household Survey (QNHS) also reveals that there are 315,900 couples with children of pre-school and/or school going age where the female partner works while there are 81,600 lone parent family units with children of pre-school and/or school going age where the lone parent works.

In 2004, the CSO<sup>4</sup> published a broad set of gender indicators across key aspects of the lives of men and women in Ireland. One key statistic is the employment rate for women, who are in the age range most likely to have young children requiring childcare. The next table gives more up to date data, provided by the CSO, which show a comparison between the employment activity of men and women in the 20 – 44 age group. Of note is the fact that, despite family commitments, the rate of economic activity for women in this age group is higher than the overall average due to the lower levels of economic engagement of older women.

<sup>4</sup> *Women and Men in Ireland*, CSO 2004

**Table 1(iv): Employment rates of men and women aged 20 – 44 by family status 2004**

Family Status	% of men/women with this family status who are active in the labour force	
	Men	Women
No children	94.4	87.2
Youngest child aged 0 – 3	90.1	52.4
Youngest child aged 4 – 5	91.9	54.3
Youngest child aged 6 or over	91.5	63.6
TOTAL	91.7	62.5

Source: CSO

In a study of female labour force participation in three OECD countries – Austria, Japan and Ireland – completed in 2003, the OECD<sup>5</sup> noted:

“The female employment rate increase by 15 percentage points since 1994, and employment rates of women aged 25-29 (almost 80%) are now higher [in Ireland] than in the other two countries and are double that of Irish women of the same age 20 years ago. Employment rates for mothers with children not yet 3 years of age are about ... 45% in Ireland. However, despite the buoyant economy, employment rates among single parents in Ireland are only just over half those in Austria and Japan where over 80% of single parents are in work .... at 81% and 83%, lone parent employment rates are considerably higher in Austria and Japan respectively than the 45% in Ireland. The difference is related to the very different policy positions – lone parents are expected to work in Austria and Japan, whereas the Irish policy stance is one of encouragement.”

Inward migration is a new and significant development in Irish society. In the period April 2004 to April 2005 some 70,000 immigrants were recorded. Many of the people coming to Ireland, such as migrant workers, come with their immediate family and, frequently, do not have support networks of family and friends in Ireland who might assist with childcare responsibilities. This increases their reliance on formal childcare places and additional supports and flexibility may be required to ensure that children of immigrant parents access the additional benefits that structured early learning brings.

## 1.6 Family size change

Immigrant groups are not alone in being distanced from access to traditional family supports. Families are becoming smaller in terms of child numbers and, for many, family situations have changed including the likelihood of both parents being in employment. With the expansion of urban areas, in particular the greater Dublin area and its commuter belt, it is no longer common for parents and their children to live in proximity to their extended family. This can be a further difficulty for parents seeking to avail of formal childcare services. At the same time, the Central Statistics Office (CSO) QNHS module on childcare suggests that many relatives, usually grandparents, are caring for family members on an unpaid basis often as an affordable alternative to a formal childcare service. In some cases, relatives providing care might otherwise take up active formal employment.

## 1.7 Young demographic profile and high fertility rate

Ireland has both a relatively young demographic profile and high fertility rate. In 2004, Eurostat observed<sup>6</sup> that, in 2003:

“The population increased in all EU25 Member States except Latvia (-5.3 per 1000), Lithuania (-4.8%), Estonia (-4.0%), Hungary (-2.5%) and Poland (-0.7%). The population remained stable in Germany while the largest increases were recorded in Cyprus (+21.5%), Spain (+15.5%) and Ireland (+15.3%) . . . Within the EU25, the highest rates of natural increase (i.e. the difference between the number of births and deaths per thousand inhabitants) were observed in Ireland (+8.2%), the Netherlands (+3.7%), Cyprus (+3.6%) and France (+3.5%), compared to an EU25 average of +0.4%. The largest rates of natural decrease were observed in Latvia (-4.9%), Hungary (-4.1%) and Estonia (-3.7%).”

<sup>5</sup> *Babies and Bosses – Reconciling Work and Family Life (Vol. 2): Austria, Ireland and Japan*

<sup>6</sup> STAT/04/105



## 1.8 Conclusion: the need for childcare

The increase in labour market participation, in particular the increased participation by women, together with the greater emphasis now placed on equality of opportunity, have presented a major and urgent challenge to Irish society.

This challenge was identified by both IBEC and ICTU as a key issue in 1996 in the context of the Partnership 2000 discussions. As a consequence, the Partnership 2000 Expert Working Group on Childcare was established in 1997 and, from this, the first Equal Opportunities Childcare Programme emerged in 1998. The recommendations of the Expert Working Group on Childcare subsequently informed Government policy on the development of the childcare sector. The 1998 Equal Opportunities Childcare Programme served as a blueprint for the development of the Equal Opportunities Childcare Programme (EOCP) 2000 – 2006. Apart from recommending support for the development of a childcare infrastructure, the national childcare strategy placed considerable emphasis on the rights of the child and the importance of quality within childcare.

At the same time as the groundwork for the Partnership 2000 Expert Working Group on Childcare was being laid, the first legislative control in the childcare sector was introduced under the Child Care (Pre School Services) Regulations 1996 (made under Part VII of the Child Care Act 1991 under the remit of the Department of Health and Children). These Regulations, which are currently under review, marked the beginning of the process of ensuring safety and quality in the provision of childcare services for children aged under 6 years. As well as setting minimum standards in relation to safety, premises and facilities, with certain exemptions, the Regulations established a system of interaction between childcare providers and the health services based on a notification and inspection process.

The implementation of these Regulations initially contributed to a reduction in childcare places as some childcare providers were unable to respond to the new requirements and the general improvements in standards which these brought. The negative impact which this could have had, in terms of a reduction in the number of childcare places, was addressed by the timely arrival of the EOCP and the decision to include existing childcare providers in its grant programme.

**As the Regulations are now in place for almost a decade, both IBEC and ICTU agree that it would be timely if the review in progress on the effectiveness of the Regulations were to recommend the replacement of the notification system with a registration or licensing one, as recommended by the Expert Working Group on Childcare in the National Childcare Strategy.**

Prior to these developments, childcare services in Ireland had developed in an unplanned and piecemeal manner. Very often, the childcare services available were of an informal nature and without reference to qualification or regulation. Gradually, from the 1980s on, centre-based and pre-school services began to emerge, largely based in the private sector. In 1994, a Working Group on Childcare Facilities for Working Parents produced a report for the Minister for Equality and Law Reform which examined ways forward in the provision of childcare for the purpose of promoting greater gender equality and enhancing education for children. The recommendations made in this Report set an agenda for action which is still valid today.

This Chapter has illustrated the dramatic and relatively recent changes in economic and employment trends in Ireland and, in particular, how growing female participation in the workforce has stimulated demand for appropriate quality childcare services. The nature and extent of this demand and the type of policies and actions necessary to meet it are dealt with in subsequent chapters of this Report. The next chapter looks at childcare availability in Ireland today.



## CHAPTER 2

# CHILDCARE AVAILABILITY AND FAMILY NEEDS IN IRELAND TODAY

### 2.1 Attitudes to childcare

Among parents, there is a general awareness of the necessity for a variety of childcare service options to suit the particular needs of parents and children to enable parents to participate in education, vocational training or employment. These range from formal childcare facilities, childminders, relatives or friends to availing of flexible or family-friendly options in the workplace or in the education or training environment. The ESRI has noted<sup>7</sup>:

“There was a degree of consensus that childcare should be good quality, affordable and flexible in terms of the hours provided. However, there was less agreement on the most appropriate form of provision and how such provision should be funded. The women in full-time home making stressed the need for good quality, flexible childcare. Their preferred mode of provision was either a childminder at home (although this option was seen as expensive) or workplace based facilities.”.

Linking labour market needs and social inclusion, a recent study by occupational psychologists Pearn Kandola, *Travellers’ Experiences of Labour Market Programmes*, noted<sup>8</sup>:

“Childcare is a key issue and can act as a barrier, predominantly for female Travellers attending courses. While there are childcare funding and supports available, for example the availability of crèche facilities, there is a strongly held view among some female Travellers that they would not leave their children with strangers. Rather than use the crèche facilities they would leave their children with family members and this may cause difficulties for regular and timely attendance on courses.”.

Similar arguments have been made in relation to members of minority ethnic groups (particularly in the case of refugees and asylum seekers) and people with disabilities.

### 2.2 Usage of childcare in Ireland

A study of childcare usage<sup>9</sup> by the CSO, which was published in mid 2003, gave some useful insights into the sector. The following table shows some of the key findings in relation to the usage of non-parental childcare:

**Table 2(i): USAGE OF NON-PARENTAL CHILDCARE BY PARENTS IN IRELAND 2002**

	Pre-School (b)		Primary School	
	No. of families using childcare service ('000)	% of families using childcare service	No. of families using childcare service ('000)	% of families using childcare service
Unpaid relative	22.8	31.2	31.1	46.1
Paid relative	8.8	12.0	9.5	14.1
Paid carer	21.5	29.4	21.5	31.9
Group setting	19.8	27.1	4.1	6.1
Other	5.4	7.4	2.9	4.3
<b>TOTAL (a)</b>	<b>73.1</b>	<b>107.1</b>	<b>67.5</b>	<b>102.5</b>

Source: CSO QNHS 2003

Note (a): The totals add to more than 100%, reflecting the usage of a number of different services by parents.

Note (b): In this study and throughout this section of the report, “Pre-School” refers to children aged from birth to entry to primary school.

<sup>7</sup> Economic and Social Research Institute. 2002. *Getting out of the House – Women returning to employment, education and training*

<sup>8</sup> Pearn Kandola / Equality Authority. 2003. *Travellers’ Experiences of Labour Market Programmes*

<sup>9</sup> Commissioned by the Department of Justice, Equality and Law Reform as an element of the National Quarterly Household Survey (QNHS) and carried out in September to November 2002.

As the table shows, about 73,000 families with pre-school children availed of non-parental childcare while about 67,500 families of primary school children used non-parental childcare to care for their children during normal working hours. Among parents of pre-school children, the reliance on unpaid relatives was still very high at approximately 31% while, for primary school children, the percentage was 46%.

### 2.3 Numbers of children in non-parental childcare

An analysis of the CSO childcare study was undertaken by the Childcare Directorate. Its results suggested that the numbers of children in receipt of non-parental childcare in Ireland were some 140,000 in the case of pre-school children and some 126,000 in the case of primary school children.

**Table 2(ii): NUMBERS OF CHILDREN IN NON-PARENTAL CHILDCARE IN IRELAND 2002**

	Pre-School		Primary School	
	No. of children using childcare service ('000)	% of children using childcare service type	No. of children using childcare service ('000)	% of children using childcare service type
Unpaid relative	38.7	27.4	52.8	41.7
Paid relative	14.7	10.4	18.2	14.4
Paid carer	40.9	28.9	43.1	34.1
Group setting	35.5	25.1	7.0	5.5
Other	11.8	8.3	5.4	4.3
<b>TOTAL</b>	<b>141.4</b>	<b>100.0</b>	<b>126.5</b>	<b>100.0</b>

Source: Derived from: CSO Quarterly National Household Survey Special Module: publ. 2003

Some 90,000 (or about one third of the whole group) were being cared for by unpaid relatives and about a quarter were being cared for by relatives receiving payment from the parents. As expected, the survey found that paid carers continued to be significant providers of childcare with about 40,000 pre-school and 43,000 primary school children being cared for in this way. In addition to some 11,800 pre-school children receiving non-parental childcare in “other” settings, the survey found that some 35,500 pre-school children received their principal childcare in a group setting. However, the numbers of primary school children availing of centre based after school care was only 7,000, reflecting the lack of options for such service at that time.

### 2.4 Cost of childcare

Childcare costs have increased over time and vary regionally. The National Children’s Nurseries Association carried out the most recent broad survey. Preliminary results of their survey<sup>10</sup> of about 550 private, community and workplace services provided by its membership show that average private pre-school fees in Dublin city ranged from almost €205 per pre-school child weekly full-time in Dublin 2 to €148 in Dublin 9 for the same category of care. The South County Dublin and North County Dublin averages were both in the region of €180 weekly full-time per pre-school child. Of the counties other than Dublin surveyed, the average for similar care in County Roscommon was lowest at €110, while the Wicklow average was highest at €165 for a weekly pre-school childcare service in a privately operated facility.

### 2.5 Corporate and social responsibilities of employers

The concept of Corporate Social Responsibility (CSR) is gaining in importance for the business community as well as for shareholders, employees, consumers and Government. Whilst it can mean very different things to different people, it is generally seen as a “concept whereby companies integrate social and environmental concerns in their business operations and in their interactions with their stakeholders on a voluntary basis” (EU Commission, 2002). For some companies, part of their

<sup>10</sup> Final figures from this survey are not yet confirmed at time of publication of this report.

CSR Strategy includes an emphasis and actions around equal opportunities, workforce diversity, work-life balance and other forms of assistance for their employees. In trying to assist their employees with their parental responsibilities, some employers have introduced varying forms of flexible working arrangements as well as direct supports to help with care responsibilities. Some employers have taken initiatives to develop work-based childcare facilities and these are referred to in Part II of this Report.

## 2.6 Economic status of mothers/guardians availing of non-parental childcare

Central to the equalisation of opportunities focus for childcare support is the extent to which women who avail of childcare participate in the labour market. This issue was addressed in the Quarterly National Household Survey (2003) which found that most of the mothers (or guardians) that availed of non-parental childcare were in employment. The table below shows the principal economic status of the mothers/guardians using childcare for both pre-school and after school care and corresponds relatively closely with the findings of the ADM Beneficiary Survey referred to in the next Chapter.

**Table 2(iii): PRINCIPAL ECONOMIC STATUS OF MOTHERS/GUARDIANS AVAILING OF NON-PARENTAL CHILDCARE IN IRELAND 2002**

	Pre-School		Primary School	
	No. of mothers/ guardians by economic status ('000)	% of mothers/ guardians by economic status	No. of mothers/ guardians by economic status ('000)	% of mothers/ guardians by economic status
<b>At work</b>	62.5	85.5	62.6	92.9
<b>Unemployed</b>	0.7	1.0	0.3	0.5
<b>Student</b>	1.1	1.5	1.1	1.6
<b>Home duties</b>	8.5	11.6	3.0	4.4
<b>Retired/other</b>	0.4	0.5	0.4	0.6
<b>TOTAL</b>	73.1	100.0	67.4	100.0

Source: CSO QNHS 2003

## 2.7 Preferences for childcare

In the CSO childcare survey, about half of the parents in each group identified a preference for an alternative to their present childcare arrangements. The following table illustrates the key findings:

**Table 2(iv): TYPE OF CHILDCARE AVAILED OF BY MOTHERS/GUARDIANS IN EMPLOYMENT IN IRELAND 2002**

	Pre-School		Primary School	
	No. of mothers/ guardians availing of childcare type ('000)	% of mothers/ guardians availing of childcare type	No. of mothers/ guardians availing of childcare type ('000)	% of mothers/ guardians availing of childcare type
<b>Unpaid relative</b>	20.2	30.0	28.6	44.7
<b>Paid relative</b>	8.5	12.6	9.1	14.2
<b>Paid carer</b>	20.7	30.8	20.5	32.0
<b>Group setting</b>	15.1	22.4	3.7	5.8
<b>Other</b>	2.7	4.0	2.2	3.4
<b>TOTAL</b>	67.2	100.0	64.1	100.0

Source: CSO Quarterly National Household Survey Special Module: published 2003

Some 10% of families showed a preference for having children cared for within their own family setting. Among the pre-school group, there was also a preference for centre based childcare but nearly half of the families noted that the service was not available to them. A further third cited cost as the reason they could not avail of their preferred choice of centre based care. Among the families with school going children, about a quarter of parents favoured using centre based after school care. Most cited lack of availability of the service as the reason they could not avail of their preferred childcare choice. This research was carried out in 2002/2003 before the impact of the EOCP had begun to be felt in terms of the increase in childcare places.

## **2.8 Conclusion: Supply and demand shortages**

IBEC and ICTU is of the opinion that there are still a number of barriers to availing of childcare in Ireland, despite the successes of the EOCP. We have concluded that demand for childcare continues to exceed the supply of childcare, particularly centre-based childcare. While quality childcare cannot be delivered at a low cost, the high demand for childcare is also an influence on the level of fees charged. This is reflected in a submission to this Sub-Committee from the Health Services National Partnership Forum, which stated:

“A shortage of affordable quality childcare places and difficulties experienced by working parents in reconciling work and family life has become one of the most significant factors affecting work life balance in the health service”.

The Government recently committed a further €90 million in capital funding to the development of childcare supply in Ireland over a five year period from 2005 to 2009. This will contribute to a further increase in childcare places and is being delivered as part of the EOCP in a planned manner, taking account of local need and the existing availability of childcare services. While IBEC and ICTU welcome this commitment there is concern that it is not sufficient and that significant further investment will be required to enhance the supply of childcare places in the coming years (a point elaborated on later in this document). The next Chapter examines the EOCP – the first structured response to childcare demand under the National Childcare Strategy. This examination is an important part of this Report in terms of the lessons that can be learned in moving forward.

## CHAPTER 3

# EQUAL OPPORTUNITIES CHILDCARE PROGRAMME (EOCP) 2000 – 2006

### 3.1 Overview

The Equal Opportunities Childcare Programme (EOCP) 2000 – 2006 emerged from the National Childcare Strategy, developed by the Partnership 2000 Expert Working Group, and was made a key element of the National Development Plan (NDP) 2000 – 2006.

The EOCP is administered by the Department of Justice, Equality and Law Reform and the Department oversees all aspects of the implementation of the Childcare Measures under the Regional Operational Programmes, including reporting on progress to the Regional Monitoring Committees under the two Regional Assemblies.

### 3.2 ESF and ERDF Co-funding for the EOCP

The EOCP has received significant funding both from the European Social Fund (ESF) and the European Regional Development Fund (ERDF) through the two Regional Operational Programmes: the Border, Midlands and Western (BMW) Regional Programme and the Southern and Eastern (S&E) Regional Programme. Under the EU Programmes, €181.8 million in ERDF/ESF support has been made available. Exchequer funding of €317.2 million has also been provided, giving a total budget of just under €500 million.

Following positive comments at the Mid-Term Review of the Regional Operational Programmes and the NDP, an additional amount of ERDF and ESF funding, of €12.6 million, brought the Programme budget to €449.3 million. The Programme's 2000-2006 budget presently stands at €499.3 million due to an additional capital allocation of Exchequer funding of €50 million for the period 2005 to 2007. This additional allocation recognises the buoyancy of the demand under the EOCP for capital grant assistance particularly, but not exclusively, in the community based not for profit childcare sector. (A further Exchequer allocation of capital funding amounting to €40 million in 2008 to 2009 has also been committed to.) IBEC and ICTU welcome this signal from the Government of its commitment to and recognition of the need for continued funding beyond the existing Programme.

The continued programme of capital funding committed to beyond 2006 will ensure that the EOCP will continue to operate effectively and without interruption pending the establishment of a successor programme. This is welcomed as a strategic approach to maintaining the momentum created by the EOCP. The new Programme should also critically examine the role of private sector childcare providers. This should consider potential for greater engagement with this sector, should the current, relatively low ceilings on their grants be uplifted, and the need to adopt an alternative mechanism for delivering services, possibly through a more direct role for the State, should this sector be unable to adequately fulfil this role.

**Table 3(i): Funding allocated to each Sub-Measure under EOCP at end December 2004**

Sub-Measure	Funding € million	Of which EU Support € million
Capital development	204.5	57.5 (ERDF)
Staffing grant assistance	193.5	84.8 (ESF)
Quality Enhancement	83.3	39.4 (ESF)
Programme Administration	18.0	
TOTAL	499.3	181.8

### 3.3 Developing the supply of childcare places

The EOCP target of increasing the number of centre-based childcare places in 2000 by 50% (28,000) by its end will be exceeded. The current projected figure for new places created by end of the programme is 38,500. In addition, at least 23,000 existing places will have benefited from support under the Programme.

**Table 3(ii): EOCP TARGETS FOR NEW AND EXISTING CHILDCARE PLACES AND IMPACT OF THE PROGRAMME TO END OF JUNE 2005**

	CHILDCARE PLACES BMW			CHILDCARE PLACES S&E		
	Part-Time	Full-Time	Total	Part-Time	Full-Time	Total
<b>TARGETS</b>						
Number of childcare places at start of Programme	10,847	3,213	14,060	28,671	14,072	42,743
Target number of new childcare places at End Programme	6,708	3,292	10,000	14,336	7,036	21,372
<b>FORECAST AT APPROVAL STAGE</b>						
Forecast of NEW places following approvals made to end June 2005	7,809	5,394	13,203	12,342	9,443	25,340
<b>PROGRESS REPORTED ON ACTUAL SPEND</b>						
Actual NEW childcare places achieved to end June 2005 (85% return rate)	6,019	3,369	9,388	8,819	7,865	16,684
Existing places currently receiving support under the EOCP	6,612	1,010	7,622	12,006	3,511	15,517

**Note:** The definition of a ‘full-time’ childcare place is a place which is open for more than 3.5 hours per day in line with Child Care (Pre-school services) Regulations 1996, as amended 1997.

### 3.4 Funding measures supporting childcare services

- Capital Grant Scheme – Community/not for profit organisations can apply for grant assistance of up to 100% of development costs to support building, renovation, upgrading or equipping of community based childcare facilities.
- Capital Grant Scheme – Private providers can receive grant assistance of up to 65% of costs with a maximum grant available of €50,790, to support building, renovation, upgrading or equipping of childcare facilities. EU State Aid rules limit the number of projects that can avail of this scheme from each private provider.
- Staffing Grant Scheme – Apart from the provision of capital grant assistance towards the development of new childcare facilities as detailed previously, the EOCP makes a contribution towards the staffing costs of childcare facilities operated by community based/not for profit groups or community/not for profit consortia of private and community groups in areas of disadvantage. These grants are normally payable for a period of three years in the first instance and are intended to support a number of childcare places within the childcare setting. The level of grant assistance being provided is tentatively linked to the numbers of childcare places within a facility; the extent to which the service caters for babies; the degree to which the service caters for disadvantage and a range of other criteria. In practice, the resources available to EOCP do not permit the Programme to meet the full staffing costs of any childcare service. Services may receive supports from other sources such as the costs associated with the provision of places for children referred by the Health Service Executive (HSE). Children referred by the HSE may have a child welfare/family support need. In addition, all childcare services are encouraged to introduce a tiered fee structure to take account of the differing financial circumstances of their client groups.

### 3.5 Supports in areas of disadvantage, including RAPID and CLÁR areas

Many community based not-for-profit childcare centres are supported by the Community Employment Scheme (CE) and Jobs Initiative (JI), each of which make available a number of



workers, totalling some 1,800, who can avail of the opportunity to gain skills in childcare while working with and supporting the qualified staff in the childcare centres. These posts were ring fenced in late 2002, given their importance to the delivery of childcare particularly in areas of disadvantage; however the commitment to provide quality childcare services, which requires appropriate training and qualification of staff, should not be overlooked. Included in the funding committed to 15 June 2005 under the EOCP is more than €66.5 million of funding for childcare services operating in RAPID areas (areas specially designated for urban regeneration under the Revitalising Areas by Planning, Investment and Development Programme). This amount includes projects initiated, both under RAPID area regeneration plans, and those within RAPID areas which applied directly for EOCP funding. A further €31 million of the total funding committed to date includes funding for childcare services in areas designated for rural regeneration under RAPID's sister programme for rural Ireland, CLÁR.

### 3.6 Developing a quality ethos in the Irish childcare sector

In accordance with a number of recommendations under the National Childcare Strategy in relation to the development of a quality ethos and quality awareness in the childcare sector, the EOCP funds childcare quality measures, through supports to the City and County Childcare Committees (CCCs) and the National Voluntary Childcare Organisations (NVCOs).

#### *National Childcare Co-ordinating Committee (NCCC)*

The National Childcare Strategy recommended the establishment of a National Childcare Co-ordinating Committee (NCCC), chaired by the Department of Justice, Equality and Law Reform, as an appropriate structure for the development of the childcare sector in Ireland. The members of the NCCC include representatives of Government Departments and State agencies with an involvement in childcare, the Social Partners and the NVCOs. The NCCC was tasked to:

- advise in relation to the development of a childcare infrastructure;
- advise the Minister for Justice, Equality and Law Reform in relation to childcare under the National Development Plan;
- develop a co-ordinated national approach to childcare provision over the life of the EOCP;
- assist in the initiation and establishment of appropriate structures for the delivery of the Childcare Measure in the National Development Plan;
- assist in the development of the City/County Childcare Committees (CCCs); and
- initiate research into childcare provision at both national and local level.

The NCCC has also provided a forum for issues relating to childcare delivery and an information network for other stakeholders. Much of the work of the NCCC has been achieved through its sub-Groups. The Certifying Bodies sub-Group has developed a Model Framework on Qualifications in the childcare sector which acts as a guide for the new certification and accreditation processes being established by the National Qualifications Authority of Ireland. A core standard for the occupational role of Childcare Supervisor has also been developed and is being piloted by FETAC and FÁS. The Working Group on School Age Childcare reported in June 2005 with a series of recommendations and guidelines on school age childcare (see above). The sub-Group on Voluntary Notification by Childminders has prepared national guidelines on standards, to assist childminders notifying on a voluntary basis to the HSE. The Advisory Group to the NCCC is preparing Guidelines for childcare practitioners/providers and for parents dealing with the specific issues in respect of children with special needs, of minority ethnic origin and from the Traveller community and in relation to poverty, equality and diversity.

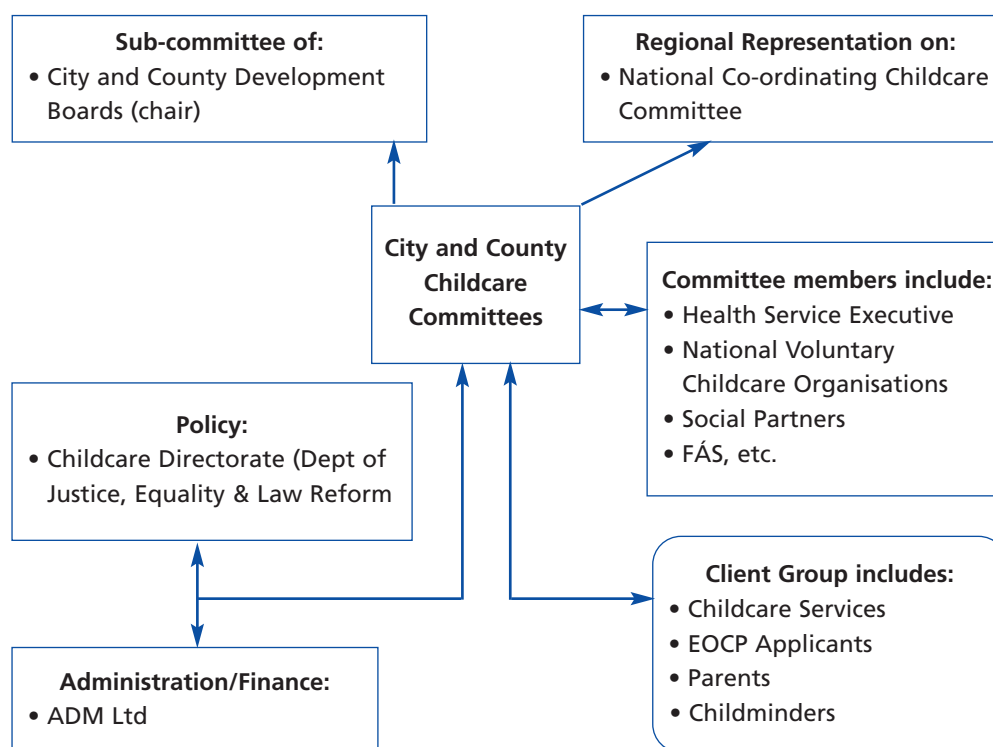
**ICTU and IBEC consider that the NCCC has provided an important support framework to the EOCP and the childcare sector generally. In the context of moving forward to a follow-on Programme, it is considered that the present format of the NCCC be renewed with a view to ensuring an appropriate strategic focus is given to the future support structure.**

### *City and County Childcare Committees (CCCs)*

The thirty three CCCs were set up in 2001. Each CCC is a company limited by guarantee and is supported by full-time paid staff. As part of the Government's overall strategic aim of improving co-operation and co-ordination of local development structures at county level, the CCCs operate as working groups of the City/County Development Boards and the Chair of each CCC is also a member of the Board. This linkage is important to the development of an integrated approach to childcare needs in County Development Plans. Each Committee is composed of representatives from the relevant statutory bodies, the trade unions, employers and farmers, the national voluntary organisations, childcare providers and parents. Committee membership is on a voluntary basis.

The thirty three CCCs each have a five year strategic plan for childcare. These plans are based on a shared vision and analysis of the childcare needs within the county.

**Fig. 1: CCCs – relationships with other groups**



Each CCC draws up an Annual Action Plan setting out their proposed actions for implementing these strategic plans in a given year. These Annual Action Plans are appraised by ADM Ltd and the Department of Justice, Equality and Law Reform sets their annual budget allocations. Each CCC reports on a quarterly basis to ADM on their quantitative and qualitative results and also submits an annual report at the end of each year. The CCCs are represented on the NCCC through two regional assembly representatives.

In 2005, the CCCs received over €7.6 million in funding to enable them to implement their Action Plans for that year. The CCCs are charged with advancing childcare service provision within their local areas through the development of:

- a co-ordinated strategy for childcare services in the county based on an analysis of needs and overseeing effective implementation against set targets;
- an information strategy concerning the provision of childcare in the county (which also updates and develops the baseline data provided in the National Childcare Census);
- local countywide networks and initiatives which target all categories of childcare providers.



The role of the CCCs has evolved in a very short time to the point where the CCC now plays the key role at local level envisaged by the Partnership 2000 Expert Working Group on Childcare. The effectiveness of this role has been endorsed in the ADM Annual Survey of Grant Beneficiaries under the EOCP and also by the external OECD panel of Early Childhood Care and Education experts, which reviewed the sector on behalf of the Minister for Education and Science.

In recognising the developmental work that has been undertaken by the CCCs, ICTU and IBEC are also conscious of the limitations imposed by their current operational structure. As a series of independent voluntary bodies, there is a lack of uniformity in terms of the level of development achieved by individual CCCs to date. In addition, the informal nature of their linkages with other services at county level may need to be reviewed. The role of the CCCs in a successor programme to the EOCP will continue to benefit from their progression towards an increasingly formalised, standardised and integrated structure. This development will also support the development of the CCCs' existing function, to develop an information strategy on childcare provision at county level. This is an important function which could be used to underpin a national database and a strategic approach to future planning for childcare services at local level. It is considered that the collection of this data should be undertaken at the earliest possible date and should focus on the gap between supply and demand for childcare services.

**IBEC and ICTU support this development and would like to see it established as a formal arrangement to ensure that an integrated planning approach is adopted by each County Development Board to provide the full range of childcare services required.**

#### *The National Voluntary Childcare Organisations (NVCOs)*

The EOCP provides some €20 million to support the role played by NVCOs in the development of quality childcare. Key activities offered by the NVCOs include:

- support for members/EOCP beneficiaries/Childcare Sector;
- quality assurance/promotion and development of best practice;
- networking/information;
- professional development and training.

NVCOs in receipt of funding include:

- Barnardos
- Childminding Ireland
- Forbairt Naíonraí Teo (formerly An Chomhchoiste Reamhscoilíochta)
- IPPA the Early Childhood Organisation
- Irish Steiner Waldorf Early Childhood Association
- National Children's Nurseries Association
- Saint Nicholas Montessori Teachers Association

#### *Training*

IBEC and ICTU consider it essential that childcare courses are delivered to nationally agreed and accredited quality standards and that the standards are sufficiently flexible to apply to all forms of childcare.

**Supports should be provided to assist childcare workers to train to the highest appropriate standard to ensure best practice is followed in terms of quality childcare services in Ireland.**

It is also important that in working towards better training and standards, recognition continues to be given to prior learning for the purposes of accrediting childcare workers with the National Qualifications Authority of Ireland. IBEC and ICTU consider that the NCCC could play an important role in this regard.

### 3.7 School Age Childcare

To date, the development of school age childcare has lagged behind the development in pre-school sessional and full day care services. Despite a media campaign in 2002, few grant applications were made under the EOCP for services to cater for school age childcare needs. The needs of parents and children for school age childcare can be particularly problematic and often present a logistical burden in terms of ‘juggling’ different childcare services.

Surveys carried out by ADM Ltd. show that school age childcare is usually provided in a number of settings. In 2002, of 17,800 children availing of childcare services, almost 9,500 (or 53%) were children aged 3 to 5 years attending sessional (pre-school) services. By end 2004, the number of children in services benefiting under the Programme had increased to 35,427 and the number of pre-school children in sessional services had increased in absolute numbers to 17,196. However, the number in sessional services had decreased in percentage terms to 48.5%. The same survey asked the childcare providers to estimate the percentage of their client children who were also attending another childcare service. Almost 80% of the 1,061 respondents said that less than 25% of their client children attended another childcare facility. Just over 17% of respondents said between 25% and 50% of their client children attended a further childcare facility, and 3.5% said more than 50% of their client children attended other services.

A Working Group of the National Childcare Co-ordinating Committee (NCCC) was established to further examine the issues associated with school age childcare and its report *School Age Childcare in Ireland* was published in June 2005 by the Childcare Directorate of the Department of Justice, Equality and Law Reform. The Report recommends, inter alia, the use of school premises and school lands for the development of school age childcare facilities.

In September, the Childcare Directorate with ADM Ltd held a seminar with the CCCs to launch a new initiative for action to progress school age childcare provision at local level, supported by media advertising and some funding to raise public awareness. The CCCs have been invited to take forward the proposal by engaging with interested parties such as school management boards and parent groups, at local level. **ICTU and IBEC welcome this initiative and hope that it brings forward a significant level of take-up by relevant bodies and organisations who may be in a position to contribute to an increase in these services.**

### 3.8 Supports for childminders

Childminders operating in non-centre based services play a significant role in delivering childcare in Ireland. Although small-scale childminders minding three or fewer children are excluded under the Child Care Act 1991 from the HSE notification process, the Child Care (Pre School) Regulations 1996 make provision for voluntary notification by childminders of their childcare services. This process has been supported since 2001 by the provision of Government funding for Childminding Advisory Officers (CMAOs) who oversee the voluntary notification process.

It is understood that CMAOs are in place in some 28 HSE local areas and formal linkages have been established with their relevant CCCs. While there is a commitment to work towards expanding the number of CMAOs to cover all areas, it is important that this is achieved at an early date to support the voluntary notification system. Some 950 voluntary notifications have been made to date, however, when the figures are analysed by reference to geographic location, it is clear the success of the initiative is dependent on there being a CMAO in place as a dedicated resource. A number of areas have few or low numbers of voluntary notifications recorded, while in the East Coast Area, the system is not in operation. In order to support childminders who wish to voluntarily notify their services, it is important that a more uniform coverage is provided.

The Childminding Initiative delivered through the CCCs was allocated Exchequer funding of €8.5 million made available under the social partnership Anti-Inflationary package, specifically to enhance the quality of childcare provided by childminders. The funding supports training and networking and information activities to create an awareness of quality among childminders. In early 2004, a new small grants scheme for childminders was launched under the EOCP. This provides an amount of developmental funding for small scale capital purchases and is available to childminders who undergo a short series of lectures on quality childminding. The interest among childminders has been positive and the numbers who are taking part in the Quality Awareness Programme exceed the numbers who are opting to avail of the developmental grant. Participation in the Programme also offers childminders the opportunity to network with others providing the same service in their locality with expected long term benefits for the sector.

Given that childminders currently represent the largest category of childcare providers, it is important that more encouragements are put in place to encourage them to engage formally with the system through voluntary notification, or in due course, through registration. This encouragement could take the form of advice, particularly in relation to taxation matters, and better communication of information outlining the grants and training which are available to them.

### 3.9 Impact of the EOCP

As the principal aim of the EOCP is to support parents in employment, education and training, it is useful to review the use being made of the services receiving support under the EOCP. In the 2004 Annual Beneficiary Questionnaire (ADM), respondents were asked to give details on the number of mothers and fathers of client families who were participating in training, education, employment, Community Employment (CE) or Jobs Initiative (JI) schemes, or who were unemployed or working in the home. Some 11% of respondents did not provide this information and many others only provided information on the mother's economic status. However, the information that was made available gives an acceptable indication of the labour market status of the parents.

The table below looks at the percentages of all parents, mothers and fathers who are availing of the services and their labour market status. About 71% of the mothers are in employment, although quite significant numbers are in part time employment. Of the 13,870 mothers who are in employment, 57% are in full time work while the remainder are in part-time employment. These percentages are augmented by the 844 mothers who are in CE (part-time) community employment scheme and the 84 who are participating in the JI (full-time) social employment scheme.

**Table 3(iii): Labour Market Status of Parents of Children Attending EOCP Facilities 2004**

Labour Market Activity	No. of Men	No. of Women	Total
Part-time training	272	1,571	1,843
Full-time training	215	697	912
Part-time education	182	1,696	1,878
Full-time education	381	903	1,284
Part-time employment	1,151	5,921	7,072
Full-time employment	15,322	7,955	23,277
Community employment	252	844	1,096
Jobs Initiative Scheme	63	84	147
Social Economy Scheme	22	65	87
Unemployed	1,749	1,813	3,562
Working in the home	433	6,102	6,535
<b>TOTAL</b>	<b>20,042</b>	<b>27,651</b>	<b>47,693</b>
<b>Total engaged in employment/ training/education<sup>11</sup></b>	<b>17,860</b>	<b>19,736</b>	<b>37,596</b>
<b>Percentage by gender in employment/training/ education</b>	<b>89.1%</b>	<b>71.4%</b>	<b>78.8%</b>

Source: ADM Beneficiary Survey

<sup>11</sup> The total engaged in employment/training/education excludes the figures for those reported to be unemployed and those working in the home.

The following data looks at the usage of privately owned and community crèches by contrasting the usage by parents. The table shows that mothers in training and education are much more likely to avail of a community based childcare facility. Mothers availing of privately owned services are also more likely to be actively engaged in employment, education and training, while, among those who work outside the home and use privately owned childcare, more than two thirds are in full employment. This contrasts with a split of nearly 50/50 among mothers working full- or part-time and availing of community based childcare.

**Table 3(iv): Labour market status of parents of children attending private and community based facilities**

Labour Market Activity	Privately Owned Facilities			Community Based Facilities		
	No. of Males	No. of Females	Total	No. of Males	No. of Females	Total
Part-time training	29	198	227	243	1,373	1,616
Full-time training	16	93	109	199	604	803
Part-time education	28	266	294	154	1,430	1,584
Full-time education	235	241	476	146	662	808
Part-time employment	230	1,871	2,101	921	4,050	4,971
Full-time employment	6,924	3,785	10,709	8,398	4,170	12,568
Community employment	13	22	35	239	822	1,061
Jobs Initiative Scheme	15	27	42	48	57	105
Social Economy	4	3	7	18	62	80
Unemployed	75	174	249	1,674	1,639	3,313
Working in the home	120	1,843	1,963	313	4,529	4,842
<b>TOTAL</b>	<b>7,689</b>	<b>8,523</b>	<b>16,212</b>	<b>12,056</b>	<b>19,398</b>	<b>31,751</b>
<b>Total engaged in employment/ training/education</b>	<b>7,494</b>	<b>6,506</b>	<b>14,000</b>	<b>10,366</b>	<b>13,230</b>	<b>23,596</b>
<b>Percentage by gender in employment/training/ education</b>	<b>97%</b>	<b>76%</b>	<b>86%</b>	<b>86%</b>	<b>68%</b>	<b>74%</b>

### 3.10 Developing a follow-on Programme to support childcare services

The achievements of the EOCP have been explored in some detail because it is clear that the continuation of the Programme will be a crucial element of our future childcare policy and provision. While ICTU and IBEC recommend that the key principles of the EOCP 2000 – 2006 are retained in any future Programme, they consider that there should also be a degree of modification of these principles to reflect the experience gained to date and to respond to the needs of parents and children at this point in time.

It is recognised that as the first strategic response by Government to the unmet need for childcare services, it was necessary for the EOCP to operate as a provider-led Programme. With its expected achievement of 70,000 childcare places either created or supported, and with the establishment of quality measures across the sector, the success of the EOCP presents the opportunity for its successor programme to take a needs based approach. ICTU and IBEC recognise that the provision of additional childcare places for children aged 0 to 4 years will continue to be a critical unmet need for the foreseeable future, particularly in locations undergoing rapid development such as in the greater Dublin area and commuter belt.

In addition, specific attention should be given under the new Programme to developing both pre-school early learning services and to address the issue of school age childcare. The development of a creative approach to tackling the need for appropriate childcare services for children aged 4 to 14 years, to enable parents to manage their children's school and childcare needs in a coherent and child-centred way, would be a landmark achievement of any future childcare Programme.

**ICTU and IBEC consider that the guiding principles for action on these issues should include the agreed Barcelona targets, that is, to make childcare available to ninety per cent of children aged between 3 and the mandatory school age and to at least thirty three per cent of children aged under 3 years.**

In addressing each of these issues, it is considered that the Programme should be underpinned by a continued focus on disadvantage and should be strategically linked to other childcare policies, including tax incentives and social supports.

Because of the diverse range of childcare provision in Ireland, it is not possible to quantify the extent of the present and future unmet need for childcare services. The potential need for childcare services is also likely to be limited by the cost and affordability to parents of the care, particularly in the case of disadvantage. However, a requirement for 100,000 additional childcare places is suggested as a reasonable figure. In this regard, ICTU and IBEC note that applications under the EOCP remain buoyant with the estimated value of non-processed capital grant applications currently standing at some €110 million. IBEC and ICTU recommend a target number of 100,000 additional childcare places to be created through the investment in physical infrastructure and running costs over the period of the 10 year strategy. This should include all types of childcare, pre-school, school age, flexible, childminders etc.

The EOCP is generally seen as primarily an intervention by the State to increase the supply of childcare services in both the private and community sectors. An equally important element of the Programme is its provision of staff subsidies to community based childcare services catering for disadvantaged parents and children. However, many non-disadvantaged working parents find it difficult to meet the costs of childcare from their own resources and without State support. This issue is addressed in Part II of the document.

### 3.11 Why should employers adopt family friendly practices?

Although there may be costs associated with introducing family friendly practices, such as extra administration costs, these can be balanced by a range of opportunities. Family friendly options can create a happier workforce and business can avail of savings due to:

- reduced staff turnover;
- cost of recruitment, absences, and associated costs and sickness rates;
- motivated and committed workforce increasing productivity;
- better public image, reducing costs of public relations communications.

In *Off the Treadmill*<sup>12</sup> it was noted that:

“Hogarth et al (2001) in analysing WERS data<sup>13</sup> found that while 90% of employers agreed that people work better if able to balance home and work effectively, this did not necessarily translate into availability of family friendly working arrangements. While 62% of organisations do permit staff to occasionally vary their usual hours of work, indicating a certain ad hoc flexibility, the proportion of workplaces providing flexible working time arrangements other than part-time employment was small...”

In addition to childcare availability, the same source also argued that it is also important to consider access:

“As highlighted by Kodz et al (2002), the availability of family friendly working arrangements within an organisation does not necessarily imply that these are offered equally to all members of staff. In many organisations, some options and flexibilities are dependent on grade or length of service.”

<sup>12</sup> National Framework Committee for Family Friendly Policies. 2003. *Off the Treadmill – Achieving Work/Life Balance*

<sup>13</sup> An Analysis of the UK Work-Life Balance 2000 Survey by Hogarth et al, on behalf of the Department of Education and Employment 2001



### 3.12 Workplace of the Future

The need to plan and implement organisational change in the workplace of the future, in both the private and public sectors, is recognised as an important contributor to our future national competitiveness, better public services, higher living standards and better quality of work and life. The Forum on the Workplace of the Future has developed a National Workplace Strategy which includes recommendations to remove barriers to women's participation in the workforce and to put in place greater childcare supports and arrangements. The Forum operates under the National Centre for Partnership and Performance (NCP) and builds on Ireland's experience of social partnership. ICTU and IBEC support this approach to building our future workplace and the benefits it will bring to both employers and employees. It is understood that the recommendations made in respect of women's participation in the workforce and childcare are being considered in the context of the current review of Government policy and provision in this area. It is hoped that the outcome of this review will address the issues raised.

**While the significant improvements made in recent years to improve family friendly policies in the workplace and flexible working arrangements are to be welcomed, this has not been matched by any significant provision for flexible or part time childcare services. This has opened up a further unmet need that should be specifically addressed in the context of a follow on Programme to the EOCP.**

### 3.13 Family-friendly practices

Notwithstanding the considerable progress which had been made in both the public and private sectors in Ireland to introduce family-friendly work practices, the OECD observed in its 2003 review that:

“The penetration of family-friendly workplace practices seems low in view of the many women that drop out, or drop down to low-paid employment. The business case for providing such measures is strongest for high-skilled employees, but management also does not appear to be fully aware of the virtues of family-friendly measures. Leadership among senior staff could be far more forceful in implementing workplace measures, also to give workers the confidence that they can use these policies without jeopardizing their careers.”

The OECD (2003) recommended the following measures to develop family friendly work practices:

- introduce an entitlement to part-time work for parents with very young children;
- encourage employers and unions to make workplaces more family friendly, for example, through the introduction of initiatives that provide workplaces with tailored advice on family-friendly policy practices, while ensuring long-term commitment through regular assessment or audits;
- explore options to use existing education facilities to address out-of school hours care needs;
- promote child development and ensure that childcare services are of good quality which may warrant additional public investment in childcare. Such public spending may best be focused on parents rather than providers, to increase their choice of work and choice of care options such as providers and types of care; to improved equity in public childcare support across childcare providers; and to improve efficiency among providers. Income testing could be used to target expenditures on those most in need. To ensure quality of formal childcare, benefit payments can be linked to quality-licensed facilities only. There is a strong case for ensuring that “Childminding” that is currently in the informal sector should be subject to some basic quality controls in return for being eligible for public subsidies.

Further detail of the specific views of IBEC and ICTU on these matters as they relate to employers and employees is given in chapters 6 and 7.

### 3.14 Childcare beyond the EOCP

Childcare issues are currently dealt with by a range of Government Departments and agencies with little apparent interaction. ICTU and IBEC consider that the present dynamic attaching to childcare provides a unique opportunity for these issues to be addressed at a strategic level based on planning for the future. This approach would also be resource efficient.

**The future location of responsibility for childcare service provision, as currently administered by the Department of Justice, Equality and Law Reform through the EOCP, should be considered at Government level in the context of establishing a unified and coherent structure for all policy areas governing the care, education, welfare and supports for children and their parents.**

While the National Childcare Strategy made recommendations in relation to both the demand and supply sides of childcare, the focus of the EOCP has been confined to facilitating the immediate implementation of the supply side recommendations based on EU grant support and Exchequer matching funding. The main objectives of the EOCP were:

- to improve the quality of childcare;
- to maintain and increase the number of childcare facilities and places; and
- to introduce a co-ordinated approach to the delivery of childcare services.

It is now some time since the National Childcare Strategy was drawn up. During this time, while progress has been made in some areas, many issues relating to childcare have still not been addressed substantively. In addition, Ireland has witnessed further economic and social change and the context against which the issues were set, has changed considerably.

**ICTU and IBEC consider, therefore, that it would be useful and timely to re-examine the National Childcare Strategy and to consider, in this context, possible framework models for developing a national childcare service.**

As the EOCP approaches its final year of operation, both IBEC and ICTU wish to record their strong support for the way in which it has been operated by the Childcare Directorate, helped by ADM Ltd., and commend the progress made in achieving the Programme's targets. The momentum of the EOCP has increased with time, partly due to the level of input of administrative and financial resources which was necessary, and partly due to the nature of the Programme which required a significant lead-in period before the arrangements for childcare centres could materialise into places on the ground. It is not possible, therefore, to fully evaluate all aspects of the Programme at this stage. However, IBEC and ICTU recognise that it has been a significant success in overall terms.

**IBEC and ICTU strongly recommend that the Programme which will succeed the EOCP should retain its key principles and continue the momentum that has been established and build on its existing framework.**

## CHAPTER 4

# OTHER GOVERNMENT POLICIES WHICH SUPPORT CHILDCARE

### 4.1 Overview

In its review of family friendly work practices in three member countries, Ireland, Austria and Japan, the OECD (2003) noted that:

“At 2.1% of GDP in 2001 family spending in Ireland is around the OECD average, due to significant increases in child benefit payment rates (in 2001) and considerable spending on the lone parent benefit programme (about 0.6%) of GDP.....Overall public spending on childcare is relatively similar in all three countries in 2002; around one third of a percentage point of GDP in Ireland and Japan, and somewhat higher, at 0.43% in Austria. In Ireland, 80% of this amount concerns public spending on infant school classes that are open for children aged 4-6.”

In contrast to some other European countries, Ireland incorporates 4 to 6 year olds into its primary school education system although participation is not compulsory until age 6. About half of all 4 year olds and most 5 year olds are enrolled in and attend junior and senior infant classes as part of the Primary Curriculum. Typically, after two years the children commence first class in primary school.

The Partnership 2000 Expert Working Group on Childcare recommended a multi-faceted approach to the development of childcare to meet the needs of parents in employment, education and vocational training. This included the provision of financial supports towards the development of new services and the enhancement of existing services, the adoption of a co-ordinated approach to the delivery of services and the provision of taxation relief on the costs of childcare. While the provision of demand led supports for the development of childcare is a matter for the Department of Finance, the Department of Justice, Equality and Law Reform became the lead department for the development of the supply of childcare.

Government policy in the area of child support aims to provide assistance which will offer real choice to parents and benefit all children. In addition to the EOCP and other measures outlined in Chapter 2, the following key supports are available to parents under Government policies to assist with childcare and are outlined in this Chapter.

#### *Income supports:*

- Child Benefit and Child Dependency Allowances
- Family Income Support

#### *Statutory Leave Entitlements:*

- Maternity Leave
- Parental Leave

#### *Other supports:*

- Government policies to stimulate the supply of childcare places
- Planning guidelines
- capital and other tax incentives

#### *Early Education Intervention:*

- Early Start
- Equal Opportunities Childcare Programme (EOCP)

Each of these are dealt with in detail below.



## 4.2 Income supports

### *Child Benefit and Child Dependency Allowances*

As a matter of policy, Child Benefit has for many years been the main instrument through which support is provided to parents with dependent children. Child Benefit is paid on a universal<sup>14</sup> basis, is not subject to means testing and is not taxable.

A Child Benefit Review Group, which reported in 1994, recommended that the policy of channelling most of the State's assistance to parents through Child Benefit should be continued and accelerated so that this payment would achieve its objective of providing adequate income support to parents towards the cost of basic necessities such as food, clothing and accommodation. In line with this thinking, the small tax free allowances that had been payable in respect of children of taxpayers were discontinued and the Child Dependant Allowances payable in respect of the children of social welfare recipients were maintained at existing levels<sup>15</sup>. The resultant savings were channelled towards the costs associated with the provision of substantial increases in Child Benefit.

In his speech for Budget 2001, Minister Charlie McCreevy addressed “the great diversity of views that are held in relation to addressing the childcare issue. The Government's core objective is to provide support which will offer real choice to parents and will benefit all our children. This we can do through Child Benefit.” In line with this policy approach, Child Benefit has been substantially increased a number of times since 1995. Successive budgets brought increases and the social partners continued to press for increases during partnership discussions. The increases are briefly summarised in the following table.

**Table 4(i): child benefit increases**

Year	1 <sup>st</sup> and 2 <sup>nd</sup> child per month €	3 <sup>rd</sup> and subsequent child per month €	Cost €
1997	38.09	49.52	506 m
2005	141.60	177.30	1,916m

While the consumer price index has increased by 31% since 1997, the spend on Child Benefit has increased four-fold. However, a target announced in Budget 2001 to increase Child Benefit over three years, to €150 for the first and second child and to €185 for the third and subsequent child, has yet to be achieved.

In Budget 2005, the Minister for Finance announced that he would “complete the transition to a higher rate of Child Benefit in next year's Budget”.

The OECD (2003) commented in relation to the possibility of taxing Child Benefit that “this would target net expenditure more closely on low-income families”. The *Report of the Expert Working Group on the Integration of the Tax and Social Welfare System 1996*, (TWIG Report) recounted that:

“Over the years different views have been taken on whether Child Benefit should be taxable. The Commission on Taxation (1982) did not accept that Child Benefit, the introduction of which it recommended, should be taxable on the grounds of horizontal equity. On the other hand the NESC ‘A Strategy for the Nineties’ (1990) argued that there are strong grounds for taxing a restructured Child Benefit. It accorded priority to vertical redistribution (over

<sup>14</sup> Child Benefit was wholly universal until May 2004. Since then, to qualify for Child Benefit a parent must satisfy the Habitual Residence Condition. Any applicant, regardless of nationality, who has spent most or all his/her life in Ireland should satisfy the habitual residency condition. Generally an applicant who has been present in Ireland for 2 years or more, works here and has a settled intention to remain in Ireland and make it his/her permanent home will also satisfy the habitual residence condition. Persons who have lived in other parts of the Common Travel Area (Northern Ireland, Great Britain, the Channel Islands and the Isle of Man) two years or more and then move to Ireland with the intention of settling here are quite likely to satisfy the habitual residence condition.

<sup>15</sup> The annual cost of the Child Dependency Allowances payable in association with Unemployment Benefit and Assistance is understood to be about €45 million.

considerations of horizontal equity) in the overall context of the significant demographic burden of children, a high reliance on social welfare transfers amongst families with children and the risk of poverty among the same families.”

#### *Family Income Supplement (FIS)*

Family Income Supplement (FIS) is a weekly tax-free payment for families, including one-parent families, at work on low pay subject to the following eligibility conditions:

- the parent is an employee in paid full-time employment<sup>16</sup> which is expected to last for three months;
- the parent works at least 19 hours a week, or 38 hours a fortnight (a parent married or living with someone as husband and wife may combine hours);
- the parent has at least one qualified child who normally resides with, and/or is supported by, him or her (a qualified child is any child under age 18 or aged 18 to 22 if in full-time education);
- the average weekly family income is below the amounts shown in the following table, based on family size.

**Table 4(ii): Income Limits Based on Size of Family for Family Income Supplement Purposes**

Size of Family	Income Limit
1 child	€446
2 children	€472
3 children	€497
4 children	€522
5 children	€554
6 children	€580
7 children	€601
8 children or more	€623

**These limits are effective from 6 January 2005.**

Payments are not considered as family income for FIS purposes include Child Benefit, Carer’s Allowance and Foster Child Allowance. The amount payable under the FIS scheme is 60% of the difference between the average weekly family income, and the income limit for the relevant family size. FIS is usually paid for 52 weeks, and the take-up, which is relatively low, is estimated at some 15,000 families, possibly only some 33% of its potential. The feasibility and/or desirability of operating FIS through the tax system, possibly as a refundable tax credit, rather than through social welfare, is understood to be under consideration in a number of fora looking at future childcare provision.

### **4.3 Statutory Leave Entitlements**

#### *Maternity Leave*

The Maternity Protection Acts 1994 and 2000 provide for a statutory entitlement to paid maternity leave of 18 weeks and to an additional (unpaid) maternity leave of 8 weeks. Paid maternity leave is supported by Maternity Benefit. This is a non-taxable social security payment made to employed and

<sup>16</sup> The applicant’s and his/her spouse’s assessable earnings are calculated by deducting from gross pay tax, employee’s PRSI, employee’s Health Levy contribution and pension contribution. If the applicant is paid weekly or fortnightly, his/her weekly income is based on the weekly average of his/her assessable earnings for a four week period. If the applicant is paid monthly, his/her average income is based on the weekly average of his/her assessable earnings in a set two month period. If the applicant’s spouse or partner is self-employed, his/her income over the 12 month period before lodgement of a claim is used to calculate his or her average weekly income.

Casual work, for example seasonal work of less than three months duration, and certain Government Employment Schemes do not count as full-time employment. However work under the Back to Work Allowance (Employees), Job Initiative, Social Economy Programme and Part Time Job Incentive is considered to be full time employment for the purposes of FIS.

self-employed women who satisfy certain PRSI contribution conditions, on their own insurance record. A woman must apply for Maternity Benefit six weeks (or if self-employed, twelve weeks) before she intends to start her maternity leave.

A woman who is employed will qualify for Maternity Benefit if she is in insurable employment covered by the Maternity Protection Acts 1994 and 2004 immediately before the first day of her maternity leave (the last day of insurable employment may be within 14 weeks of the end of the week in which the baby is due) and she has:

- at least 39 weeks PRSI paid contributions<sup>17</sup> in the previous year, or
- at least 39 weeks PRSI paid contributions since first starting work and at least 39 weeks PRSI paid or credited contributions in the relevant tax year<sup>18</sup>, or in the year following the relevant tax year, or
- at least 26 weeks PRSI paid contributions in the relevant tax year and at least 26 weeks PRSI paid contributions in the tax year before the relevant tax year.

A woman who is self-employed will qualify for Maternity Benefit if she is in insurable self-employment and she has 52 PRSI paid contributions in the relevant tax year, in the previous tax year or in the following tax year.

The rate of Maternity Benefit for women who are employees is calculated by dividing the individual's gross income in the relevant tax year by the number of weeks she actually worked in that year. For women who are self-employed, Maternity Benefit is calculated by dividing their reckonable income in the relevant tax year by 52. A woman may be paid 75%<sup>19</sup> of this amount subject to a current minimum payment of €165.60 and maximum payment of €249 per week<sup>20</sup>. Maternity Benefit is payable for a continuous period of 18 weeks, whether or not a mother returns to work following maternity leave. To qualify for 18 weeks Maternity Benefit, a mother must take at least two weeks (and at most 14 weeks) leave before the end of the week in which the baby is due. If a baby is stillborn after the 24th week of pregnancy, 18 weeks Maternity Benefit is payable, if PRSI conditions are met. The maximum level of Maternity Benefit is substantially lower than the net weekly earnings of an average industrial worker although this is often ameliorated by an entitlement to rebated tax. Many employers provide a 'top up' to bring the amount up to the individual's salary level. The level of Maternity Benefit may have financial implications for a family if an employer does not provide a top up to salary levels.

### *Parental Leave*

The Parental Leave Act 1998 provides for unpaid leave for parents to care for their young children<sup>21</sup>. The Act provides an individual and non-transferable entitlement to parents to avail of 14 weeks (per child) unpaid leave from work to take care of young children. This leave must be taken before the child reaches his or her fifth birthday, except in very limited circumstances in the case of an adopted child.

<sup>17</sup> Only PRSI at Classes A, E and H are reckonable for Maternity Benefit purposes.

PRSI Class A is paid by people in industrial, commercial and service- type employment who are employed under a contract of services with gross earnings of €38 or more per week from all employments: Civil and Public Servants recruited from 6 April 1995 and Community Employment participants from 6 April 1996.

PRSI Class E is paid by Ministers of Religion employed by the Church of Ireland Representative Body.

PRSI Class H is paid by NCOs and enlisted personnel of the Defence Forces.

<sup>18</sup> The relevant tax year is the second last complete tax year before the benefit year in which a woman's maternity leave starts. The benefit year begins each year on the first Monday in January and ends on the Sunday immediately before the first Monday in January the following year. For a claim made in 2006, the relevant tax year is 2004. For a claim made in 2005, the relevant tax year is 2003.

<sup>19</sup> The Mid-Term Review of Part Two of Sustaining Progress stated that "Maternity Benefit will over the lifetime of this Agreement be restored to 80 per cent of earnings from its current level of 70 per cent." It was increased from 70% to 75% in January 2005.

<sup>20</sup> The minimum payment is linked to the rate of Disability Benefit and the maximum payment is reckoned by reference to a ceiling of €331.95 per week, payable at 75% i.e. €249 per week.

<sup>21</sup> The Act transposed the EU Parental Leave Directive (96/34/EC) into national law with effect from 3 December 1998.

The Parental Leave (Amendment) Bill 2004 is before the Houses of the Oireachtas. On enactment, it will implement a commitment under Sustaining Progress to enhance the entitlement of employees to take time off to care for their children by allowing the leave to be taken over a longer period of time and in a broken format. It also raises the maximum age of the eligible child from 5 to 8 years, or 16 years in the case of a child with a disability, extends the entitlement to persons acting in loco parentis and gives a statutory entitlement to take the leave in separate blocks of a minimum of six continuous weeks. Implementation of the recommendation to extend force majeure leave to same sex partners by way of legislation is currently being contemplated.

#### *Other Family Friendly Supports*

All EU Member States, including Ireland, have undertaken in their National Employment Action Plans to support employees in reconciling work and family life. In the case of Ireland, this involves interventions at many levels including State support for childcare provision, statutory leave entitlements such as maternity, parental and adoptive leave and the provision by employers of family-friendly/work life balance arrangements for both men and women. In the public sector, there are a number of family-friendly and work life balance arrangement options in place. These include part-time work, flexible work hours, personalised hours, annualised hours, compressed work week, voluntary reduced work time, flexitime and job-sharing. Other family friendly work arrangements include paternity leave and emergency, special and bereavement leave as well as term-time working. Some employers, in particular civil and public service employers, also permit employees to avail of career breaks.

The Department of Enterprise, Trade and Employment is actively involved in furthering the Work Life Balance agenda at the level of the enterprise. The Department chairs the National Framework Committee for Work Life Balance Policies, which comprises representatives from IBEC, ICTU, the Equality Authority and a number of Government Departments. The role of the Committee is to support and facilitate family friendly/work life balance policies through the development of a package of practical measures that can be applied at the level of the enterprise. The Committee has noted that “family friendly measures are those that support or assist employees in managing the dual responsibilities of work and family life.”

In *Off the Treadmill*, the Committee commented:

“It is now recognised that flexibility is an essential part of the labour market supply/demand equation. Employers require flexible working to support continuous production, additional shifts, extended opening hours and uneven demand for labour on a daily, weekly or even annual basis (DREW and Emerek 1998). Employees also need flexibility as a means of holding their position in the labour market while pursuing other life choices, which include family care, leisure, sport and political/community involvement.”

The childcare requirements of parents can vary significantly depending on their personal circumstances and work patterns and it is unlikely that workplace based childcare arrangements alone would fully meet parents’ needs. In the CSO childcare survey published in July 2003, parents did not express an overwhelming preference for a particular alternative to their present arrangements although the most popular alternative chosen was a centre based service both for the pre school and the primary school child. The survey also reported employers saying that the primary reason cited by employees for requesting and availing of family-friendly work arrangements was childcare. At the same time, the main reason cited by employers for not introducing family-friendly work arrangements was that there had been “no request”.

The Equality Authority has noted<sup>22</sup>:

“Because of more limited resources, small and medium-sized enterprises (SMEs) may not be able to provide the same range of benefits as their larger counterparts. However, as this research shows, there are many employers in the sector who have recognised the potential

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<sup>22</sup> “Investing in People: Family-Friendly Work Arrangements in Small and Medium Sized Enterprises”

business benefits of FFWA (Family Friendly Work Arrangements) and their positive assessment of such arrangements is an encouraging example for others.”

#### 4.4 Planning and tax policies to stimulate childcare supply

Apart from the recommendations to stimulate and support directly the supply of childcare places in Ireland, which are being implemented through the EOCP and which were discussed at length in Chapter 2, the Expert Working Group also made a number of recommendations to stimulate the supply side of childcare provision in Ireland. These included requirements with regard to the planning of housing estates and a mix of capital incentives to stimulate private investment in the sector.

##### *Planning Guidelines*

The *Guidelines for Planning Authorities on Childcare Facilities*, issued by the Department of the Environment, Heritage and Local Government in June 2001, provide a basis for the guidance of local authorities in preparing development plans and for assessing applications for planning permission, and for developers and childcare providers in formulating development proposals. The Guidelines were intended to increase the numbers of childcare facilities within housing estates and therefore at the heart of the community. The degree of success of their implementation is currently under consideration. The Guidelines stated:

“Planning authorities should, in their Development Plans, encourage the development of a broad range of childcare facilities, i.e. part-time, full daycare, after-school care, etc., including those based in residential areas, in employment areas and in areas close to where users of such facilities live ... in new Communities/new housing areas, planning authorities should require the provision of at least one childcare facility for new housing areas and other areas of residential development unless there are significant reasons to the contrary. For housing, a benchmark provision of one childcare facility per 75 dwellings is recommended. The threshold for provision should be established having regard to the existing geographical distribution of childcare facilities and the emerging demographic profile of areas.”

**IBEC and ICTU consider that it is widely accepted that the Planning Guidelines are not effective in their present voluntary format. They propose therefore that they should be reviewed and amended in accordance with the outcome of that review process. The new provisions should be mandatory and enforceable.**

##### *Capital and Other Tax Incentives*

A range of tax incentives to stimulate the provision of private childcare places is already in place. The Finance Act 1999 introduced two provisions relating to childcare, capital allowances for buildings used for certain childcare purposes and an exemption as benefit-in-kind for tax purposes of certain childcare facilities provided by employers for their employees. In all circumstances, the premises must meet the provisions of the Child Care Regulations, 1996.

##### *Capital Allowances*

Capital allowances are currently available for expenditure incurred on childcare facilities which meet the required standards for such facilities as provided in the Child Care Act 1991. Capital expenditure incurred on the construction, extension or refurbishment of a building or part of a building used as a childcare facility qualifies, as well as expenditure on the conversion of an existing building or part of a building for use as a childcare facility. Expenditure on any part of a building in use as (or as part of) a dwelling does not qualify. The allowances may be written off over 7 years at the rate of 15% per annum for the first 6 years and 10% in year seven. There will be a claw-back of allowances if the building is sold or ceases to be used as a childcare facility within a period of 10 years. Budget 2000 provided for accelerated capital allowances. An owner-operator can opt to increase the 15% allowance for year 1 up to a maximum of 100% of the qualifying expenditure.



*Benefit-in-Kind*

Currently, the provision of certain free or subsidised childcare facilities by employers is exempt from a BIK charge on employees benefiting from the facilities<sup>23</sup>. The exemption does not apply if the employer simply pays or subsidises the cost to an employee of an independent crèche or nursery. An employee will not be charged income tax on a benefit-in-kind arising in respect of any expense incurred by an employer in or in connection with the provision of a childcare service in a qualifying premises for a child of a director or employee<sup>24</sup>. A review of capital allowances for the provision of childcare is on-going in the broader context of the evaluation of capital tax breaks.

## 4.5 Early education interventions

*Early Start*

The Early Start Programme, delivered by the Department of Education and Science since October 1994, aims to offer a pre-school service to three year old children for the academic year prior to their entry into primary school “to provide children who are most at risk of educational disadvantage with an educational programme that will enhance their development and prevent failure at school.”

The Early Start Programme is delivered through primary schools in areas of significant disadvantage. Almost 1,700 children avail of the service each year. Each centre comprises of two classes of 15 children and operates a daily two and a half hour session for each class, normally, 9am to 11.30am and 12pm to 2.30pm. In May 2005, the Minister for Education and Science launched Delivering Equality of Opportunity in Schools (DEIS), an action plan for educational inclusion. This Programme is intended to prioritise and address the educational needs of children and young people from disadvantaged communities. As part of DEIS, a new integrated School Support Programme (SSP) is being introduced to build upon existing interventions.

“The action plan will aim to concentrate early education actions on those children, aged from three up to school enrolment, who will subsequently attend urban/town primary schools participating in the SSP and serving the most disadvantaged communities. The extension of early education supports to areas served by other primary schools participating in the SSP will be considered after this objective has been achieved.”

The Department of Education and Science is committed to contributing:

“... funding or part-funding for the educational dimension of provision, where new places are involved, and on supporting the further development of an educational dimension in the case of existing childcare provision. It will also involve delivering education-related professional support and training to existing providers, together with a curriculum and quality framework for early childhood education with the assistance of the NCCA and the Centre for Early Childhood Development and Education (CECDE).”

The Department also proposes, in the school year 2006/07, to commence:

“... implementation of early childhood education measures, following an examination of existing early childhood provision in communities served by the 150 urban/town primary schools with the highest concentrations of disadvantage”.

<sup>23</sup> Finance Act 1999 introduced an exemption from a BIK charge where employers provide free or subsidised childcare for their employees. Finance Act 2001 extended the exemption to employers involved in financing but not managing the facility. The exemption is restricted to cases where the employer provides financial support for items of capital expenditure and equipment but not for other costs. The exemption applies whether or not the facilities are provided “in house” or in a premises made available by the employer in another location. It also applies if an employer provides childcare facilities jointly with other employers or with a voluntary body.

<sup>24</sup> Qualifying premises are premises made available solely by the employer, by any other person, by the employer jointly with other persons, where the employer is wholly or partly responsible for financing and managing the provision of the childcare service. Section 120A of the Finance Act 2001 amended the scheme to make it more attractive to employers. As a result, an employer may opt not to be involved in the management of the childcare facility and will be allowed the BIK exemption for items of capital expenditure as opposed to ongoing day to day running costs. Where an employer is involved in the management of a facility, the expenditure exemptions continues to apply.

The Department of Education and Science is also supporting initiatives under the EOCP to further develop facilities for quality school age childcare at local level. These initiatives are intended to implement the principles and recommendations of the *School Age Childcare in Ireland Report* (June 2005).

#### 4.6 Developments in childcare in other countries

While childcare is a key topic within social policy throughout Europe and beyond, the organisation and structures of societies vary widely and this impacts on the organisation and delivery of childcare services. The ESRI notes in *How Unequal? Men and Women in the Irish Labour Market* that:

“Countries can be seen as occupying different positions on a spectrum ranging from little state intervention and support to very extensive intervention and support. Ireland ...is at the low levels of intervention and support end of this spectrum. The US, often seen as the bastion of non-intervention, has a tax-based support structure. Scandinavian countries and France tend to have high levels of intervention and support including publicly provided and funded facilities. Country positions on this spectrum reflect a range of influences from historical accident to deeply held values and attitudes expressed through the political system”.

In a paper presented to the Daycare Trust Annual Conference in November 2004, Professor Peter Moss of London, an international expert in comparative systems of childcare provision, contrasted five countries and set the scene using economic data as outlined below. Material for Ireland is added for comparative purposes.

**Table 4(iii): Contrasting Populations, per capita GDP and tax as a percentage of GDP**

	<b>Finland</b>	<b>Belgium</b>	<b>New Zealand</b>	<b>Sweden</b>	<b>UK</b>	<b>Ireland</b>
Population (millions)	5.2	10.2	3.9	8.9	59.8	3.9
Per capita GDP (€)	21,268	22,904	17,996	21,268	21,268	25,358
Tax as % of GDP	47%	46%	35%	54%	37%	31%

Source: Daycare Trust except Ireland: derived from OECD: material published by IPA

The relative productivity of all the countries varies from about €18,000 per capita in New Zealand to €25,500 per capita in Ireland but the key area of divergence is in the taxation structure. Countries which adhere to the welfare state model have much higher taxation structures than apply in Ireland where the total tax receipts in 2000 were 31.1% of GDP compared with levels exceeding 50 per cent in Sweden.

Internationally, a wide variety of approaches have been taken to address the provision of childcare for employees. Many EU countries have spread the costs of childcare between parents, the community at large (through public subsidies/tax credits) and employers. Other countries have publicly funded childcare systems in place where the cost burden of childcare rests with the government. Some countries such as the USA have a diverse range of interesting and innovative initiatives to facilitate employees and minimise the cost of childcare.

Interestingly, the UK Government recently published the Work and Families Bill 2005. The Bill is part of its 10 year childcare strategy which was launched in December 2004 and which aims to address affordability, availability, quality and choice. The Bill provides for the incremental extension of maternity and adoptive pay and for the introduction of a new Additional Paternity Leave: Birth (and adoption), details of which are given in Appendix 3.

A brief survey of approaches to childcare provision in Australia, Great Britain, the Netherlands, France, New Zealand, Belgium, Sweden and the USA is included in Appendix 3.





**PART II**

**TOWARDS DEVELOPING A COMPREHENSIVE  
CHILDCARE SERVICE**



## CHAPTER 5

# ADDRESSING THE CHILDCARE NEEDS OF THE LABOUR MARKET – THE EMPLOYERS’ PERSPECTIVE

### 5.1 IBEC’s social policy and childcare

Childcare has been on the business agenda for the past fifteen years. IBEC noted in its 2002 Social Policy document that:

“For Ireland to continue to build on its competitive success, it is clear that we need to make the best possible use of the talents of as many people as possible. Work and parenthood can create conflicting pressure on employees, resulting in problems for both employers and employees, such as lost time, reduced productivity, an increase in anxiety and even job loss.”.

IBEC also commented in the same document that:

“Childcare is a key element of social infrastructure without which families, and women in particular, have difficulty in participating in the labour market.”

“A properly resourced and coordinated pre-school system is a precursor to the primary school system and would benefit all families – regardless of whether one or both parents were working. The contribution of pre-school education to children’s development has been proven internationally. It is recognised as helping to mitigate against subsequent educational deficit in the case of disadvantaged children, although the benefits would clearly not be confined to this group.”

“The Irish childcare system is not sufficiently integrated and parents with children of different ages face an up hill struggle to coordinate full-time care and after school care in particular. In addition, good quality childcare remains prohibitively expensive for many parents, with costs continuing to rise well above the rate of inflation.”.

IBEC lays out four guiding principles for childcare which can be summarised as follows:

- Quality – of primary concern with regulation based on sensible and reasonable standards.
- Developing an integrated childcare strategy – to minimise disruption for parents and children.
- Supporting parental choice – current mix of public and private provision with appropriate regulation is an appropriate approach.
- Employer role – While it is acknowledged that employers have a role to play in supporting and endorsing certain childcare facilities, it is IBEC’s belief that the fundamental responsibility for regulation and for ensuring that there is a satisfactory supply of quality and affordable childcare rests with the State.

IBEC made a number of policy recommendations in this document. Some of the key points are summarised as follows:

- Greater emphasis needs to be placed on encouraging larger scale and more viable state of the art childcare services.
- More flexible childcare services are needed because work no longer mirrors the traditional working day.
- Some of the structures put in place to oversee the development of childcare supply have yet to prove their effectiveness.

- County and City Childcare Committees should be given real responsibility for the coordination of childcare facilities in their areas.
- The policy of increasing child benefit as a means of tackling childcare costs for parents is flawed. IBEC favours the introduction of more targeted tax and social welfare measures to meet costs of childcare which are actually incurred.
- Consideration should be given to the introduction of capitation-style grants in respect of all pre-school places as a means of addressing the affordability issue and improving quality.
- Planning guidelines in respect of the provision of childcare facilities need to be fully implemented to be effective.
- The current review of the regulations is long overdue and needs to strike a sensible balance between infrastructure and the developmental needs of the child.
- Dealing with the unregulated part of the sector must be a priority.
- It may be appropriate to allow tax relief on childminders' income up to a certain threshold in order to encourage such activity in the formal economy.
- More should be done to stimulate entry into the childcare sector.
- The National Childcare Strategy should not focus only on pre-school services.
- Benefit in kind rules should be reviewed.

While it can be argued that some of these comments were made at a time when the EOCP had not gathered the momentum and begun to show the progress of recent times, many of these arguments are still valid today and should form part of a fully integrated strategy.

## 5.2 Pre-Budget 2005

Indeed, IBEC refined its thinking somewhat in its pre-Budget 2005 submission to the Minister for Finance, in which it argued, *inter alia*, that:

“IBEC recognises that substantial State funding has been invested in developing the childcare sector since 1999. Due to the critical shortage of supply at the time, funding has legitimately focused on increasing the number of childcare places. Despite these efforts and the increase in places, the cost of childcare has continued to increase apace. Further measures are required to improve the supply of childcare, but further innovative means are necessary to alleviate the cost of childcare on working parents.”.

“Increases in child benefit maintain work incentives but have not tackled child poverty or proved to be successful in helping with childcare responsibilities. IBEC believes that consideration should be given to providing assistance to families with children along the lines of the British scheme, where there is a childcare element to their version of the Family Income Supplement (FIS), the Working Tax Credit. However, the range of incomes to which this childcare subsidy should be available should be substantially higher than the present thresholds for FIS.”.

## 5.3 Private sector childcare provision

Over the course of the past five years a number of large private childcare providers have entered the market and this has been a positive development. Their facilities tend to represent best practice service provision and they are able, through their scale, to provide comprehensive childcare services. It is IBEC's view that the development of such private provision should be encouraged in any long term childcare strategy for Ireland. To do this, continuation of the capital allowances currently available against expenditure on childcare facilities will be essential. In addition, if possible, the current arrangement whereby any one provider can only be grant aided under EOCP on two occasions should be looked at to explore possibilities of greater flexibility.

## 5.4 Employer Initiatives in Childcare in Ireland

It is IBEC's view that the scope for development of work based childcare at company level is limited in Ireland for a number of reasons. Firstly, very few companies have the critical mass to make the developing of crèche facilities a realistic option. IBEC believes that the low incidence of workplace childcare facilities reflects the fact that this is not a practical or desirable option in most cases. It is also a fact that few employments in Ireland have the space or facilities or would otherwise be considered appropriate for the development of 'on site' crèche facilities.

In addition, the costs of operating a crèche facility of good standard in Ireland is very high. The NCNA in their 2004 survey of members found that the average cost of operating a childcare facility (from 17 places to 119 places) ran from €256.68 to €278.71. On average staffing represents 60% of their costs. The NCNA recommend a 15% profit margin but indications from larger operators show that the real return on turnover is 5-7%. Some of the challenges faced by childcare operators relate to the overall costs of doing business in Ireland and measures to address this bigger issue would also help childcare providers in the formal sector. It is IBEC's view that private provision of childcare facilities should form an important part of our overall childcare strategy – and therefore it is important to have a business environment that encourages such investment.

It is also IBEC's view that along with the importance of continued investment and encouragement on the supply side of the childcare equation, affordability is a major issue for working parents. The experience of the past five years under EOCP has shown that notwithstanding achievements on the supply side, the cost of childcare is a major problem for all but the very highest earners in society. Evidence to date does not suggest that supply side strategies alone will be sufficient to bring prices down and therefore it is likely that other support mechanisms from Government will be necessary. IBEC believes Government should consider an appropriate subvention for receipted childcare expenses to alleviate costs to parents and to encourage development of the formal economy in this sector.

Finally, a number of large member companies have reported to IBEC an emerging trend from working parents. In these companies staff have indicated that when given the option they would prefer to have their children minded in a facility within their local community, close to home and schools where siblings may be attending, rather than bringing them into the centre of town during rush hour traffic.

While employer involvement in the direct delivery of childcare is not widespread in Ireland, there have been some employer led initiatives to develop childcare in different employment sectors here.

- *Civil service crèches*

In 2001 the Department of Finance allocated €12.7 million capital expenditure for the provision of up to 15 Civil Service crèches for the children of parents who work in Government Departments. Six crèches are already in operation. Proposals for additional crèches are being considered.

The decentralisation programme has impacted on proposals for the development of other crèches under the Initiative. As stated in the Flynn report, where the local supply is inadequate to meet either existing or new demand, the development of new or, where suitable, the expansion, of existing services will be considered using an enhanced EOCP programme. The building of new workplace crèches funded and managed under the Civil Service Childcare Initiative is unlikely to be a viable option in most locations. However, the development of workplaces crèches, ideally as joint ventures with other employers and organisations in the area, could be considered where (i) a Department has identified a need, (ii) there is an absence of places locally and (iii) the need cannot be met under the EOCP.

- *IDA childcare facilities brought to business parks*

In March 2001, the IDA launched a scheme to provide for the creation of high quality, workplace childcare facilities in IDA Ireland Business Parks around the country. In 2002, 2003, and 2004,

the IDA invited tenders from childcare providers to create facilities in 12 business parks across the country.

The following table details the list of childcare providers that were successful in the selection process adopted in the three phases undertaken to date.

**Table 5(i): Childcare facilities in IDA parks**

Phase	Location of Park	Awarded To	Current Status
I	Garrycastle, Athlone	Grovelands Montessori Centre	Opened September 2002.
I	Parkmore East, Galway	The Ark Early Years Care and Education Centre Ltd.	Opened August 2004.
I	Blanchardstown, Dublin	Bright Horizons Family Solutions	Due to market conditions company decided not to go ahead with this facility. Site reverted to IDA.
II	Sragh, Tullamore	Grovelands Montessori Centre	Opened August 2004
II	Kilkenny	Busy Bees Crèche and Montessori	Opened September 2004.
II	Model Farm Road Cork	The Ark Early Years Care and Education Centre Ltd.	Opened September 2005.
III	Letterkenny	Kite [Ireland] Ltd.	Due to market conditions company decided to reconsider proceeding with this facility. Site sale has not been concluded.

Over 400 spaces will be provided by the 5 facilities being opened on the parks.

These operators were chosen on the basis of a Selection Panel's review of the following 5 criteria, and the successful completion of an interview.

- The quality and feasibility of the proposal;
- Value to the relevant business park and immediate area;
- Capacity to deliver the project within the required timeframe;
- Financial resources underpinning the proposal;
- Relevant experience, qualifications and success in the provision of childcare services.

A sixth criterion, "offer price for the site being made available to the operator by the IDA", was used in Phases I & II, but a fixed price of €100,000 was used in Phase III.

The IDA has been impressed by the quality of the proposals received from the successful tenders as designs for the facilities are innovative, of high quality and child friendly.

- *Consortia established in public sector employments*  
A number of employee consortia were established, largely in higher education institutes and in hospitals, to avail of capital grant assistance under the 2000 – 2006 EOCP to build and equip childcare facilities for staff. The current costs associated with these projects are not normally eligible for staffing grant support under the EOCP.

- *Crèches in other places of employment*

A number of other employers have availed of capital tax benefits to establish on site childcare facilities. A number received support under the 1998 – 1999 strand of the EOCP and met with mixed success. A number of major US firms have established facilities linked in with large service providers with a strong track record in this field.

The entry of these service providers into the Irish market has been a positive development in terms of supply and also quality of childcare places.

A number of large childcare providers have raised some practical issues with the IDA initiative, in particular the timing for establishing the childcare facility has to have regard to the supply of children to make the initiative economically viable (as a private operation) from the beginning. The location of the facility is also important – if it is not visible to the passing population, it may make it difficult to promote the existence of the facility outside the particular business park or industrial estate. For long term viability this may prove to be essential.

## 5.5 Work Life Balance initiatives

IBEC has been actively involved with the National Framework Committee on Work Life Balance since its establishment and has worked strenuously with member organisations to promote voluntary initiatives on Work Life Balance through running seminars, developing training modules and videos for managers and through the participation and support of many work life balance projects.

IBEC's Human Resources Management Survey 2004 which surveyed 397 companies covering over 145,000 employees across all sectors and regions found that the use by business of flexible work had increased since the previous survey of 2002 both in terms of incidence and in terms of the numbers of companies who indicated that they had increased their usage of such arrangements. In 2002, 78% of companies indicated that they had flexible working arrangements and this increased to 82% in the 2004 survey. The overall incidence for flexible work was found to be highest in the services sector, in particular the financial services.

Part-time work accounts for a substantial part of employers' use of flexible working arrangements in that over two-thirds of companies surveyed have such arrangements. This compares with a finding of 60% of companies using part-time work in the recent ESRI and NCPP survey<sup>25</sup> and 66% of companies using part-time work in the *Off the Treadmill* study.

In addition, a number of companies have developed innovative ways to assist employees with childcare challenges. These initiatives include developing web-based information on internal intranet sites, providing emergency childcare places or childcare vouchers, contracting service providers to run summer camps, and also contracting experts for a resource and referral type of service that employees can access to assist them to identify workable childcare solutions for their family. IBEC believes that a review of BIK rules in relation to childcare could make the development of these types of initiatives more attractive to both companies and to employees.

<sup>25</sup> (Blackwell, S., Gory, S., O'Connell, P.J., Russell, H. and Williams, J. (2004) The Changing Workplace; A Survey of Employers' Views and Experiences' Research series No. 3 Forum on the Workplace of the Future. ESRI and NCPP.)



## CHAPTER 6

# ADDRESSING THE CHILDCARE NEEDS OF THE LABOUR MARKET – THE TRADE UNION PERSPECTIVE

### 6.1 Introduction

Achieving adequate childcare for working parents has been on the trade union agenda for many years.

In April 1980, ICTU made a submission on child-care facilities to the then Minister for Health with the recommendation that a National Co-ordinating Committee should be established to plan and make provisions for the introduction of childcare facilities. The Committee should have, as its objective, the implementation of ILO Recommendations No. 123 (1965), that is:

- to collect information on the needs of each community for child care services and facilities;
- to draft and provide for the introduction of appropriate standards for childcare facilities covering space, equipment, hygiene, training and qualification of staff etc.;
- to provide for the introduction of a system of registration;
- to draft and provide for the introduction of a comprehensive training programme for all childcare personnel;
- the Department of Health, should, as a matter of urgency, establish an interim system of registration and inspection of all childcare facilities currently in existence; and
- pending the establishment of a comprehensive system of community-based nurseries, Government Departments, local authorities and semi-State bodies should enter into discussions with the trade unions concerned on the provision of workplace nurseries.

The Submission to Government in 1980 highlighted that in 1971 there were 39,214 married women at work outside the house. Over 7,000 women with children aged 0-3 inclusive were employed. Between 10,000 and 16,000 women aged 20-44 with children aged 0-3 indicated that the reason that they are not working was that there are no suitable facilities available.

In 2005, there are almost 820,000 women at work. The challenge is now very significant and, though there has been some progress particularly in recent years, most of these issues remain pertinent and many remain unresolved.

ICTU believes there is a challenge to meet current demand and recognises that the development of childcare has a critical role to play in the future development of economic growth and social cohesion in Ireland. As a party to the Partnership 2000 Expert Working Group, ICTU played a key role in shaping that document and its recommendations.

As a result ICTU strongly welcomes the important developments which have stemmed from that report – developments such as the roll out of the EOCP, including the work of the Sub-Group of the National Childcare Co-ordinating Committee on the *Model Framework for Qualifications and Training* for the childcare sector and the increased opportunities which the development of the sector has brought to enhance the employment opportunities of childcare practitioners.

However, ICTU has also criticised the extent to which the approach and direction adopted over recent years to implement the P2000 Working Group Report, specifically the concentration on socially disadvantaged communities, met the needs of working parents, especially those on low pay but including those on middle incomes.

In its work under the PPF and Sustaining Progress, ICTU has worked with affiliated unions to advance the family friendly / work-life balance workplace agenda in work undertaken by the National Framework Committee on Work-life balance. The work undertaken has served to build awareness of forms of work organisation which assist better work life balance and provide opportunities for parental care.

However, unions report significant difficulty in negotiating this agenda at the level of individual workplaces and ICTU believes it is time to progress beyond awareness raising and good practice to:

- (a) identifying those companies and indeed sectors where flexible working is not available through survey or audit processes; and
- (b) improve the capacity of workers to request more flexible forms of working in companies and to negotiate better opportunities to reconcile work and family obligations through more extensive leave provisions (i.e. maternity, parental, paternity).

ICTU believes this opportunity, agreed under Sustaining Progress, should be used to evaluate the progress made, assess to what extent the foundations of a National Childcare Strategy have been established, to make the necessary adjustments and to initiate the most significant programme of public investment in childcare to date to ensure affordable and accessible childcare for all working parents according to their needs.

This position reflects both the endorsements and the concerns voiced by ICTU in various Social Partnership discussions and annual Budget Submission process, as well as in its latest policy position paper *Caring for the Future ... who Cares?*

ICTU believes its position to be well grounded in its canvas of member's views in a Survey Initiative *Identifying Members' Childcare Needs* undertaken by ICTU in 2001.

The survey, focused on six member unions for which it was felt that childcare was most likely to be a key issue. These unions together have a membership of 299,885 and the number surveyed was almost 5,000. The response rate was just over 17 per cent which would be fairly typical for a survey of this type.

Respondents were asked to prioritise a number of supports which might be offered by employers. While the results suggest that some respondents did not clearly differentiate their single first preference, more than half of the respondents were of the view that their employer should contribute to the cost of their childcare. One third of the respondents appear to favour increased family friendly working arrangements while a quarter favoured the provision of childcare facilities in the workplace.

**Table 6(i): priorities of respondents to survey**

Support	1st Priority	2nd Priority	3rd Priority
Increase level of family friendly working arrangements to employees	34.5%	24.7%	29.1%
Provide childcare facilities in the workplace	25.9%	26.7%	32.2%
Subsidise cost of employees childcare	53.0%	32.9%	14.0%
Other response	11.5%	11.7%	12.7%
Total *	114.9%	86%	78%

\*Results may not total to 100 as some respondents did not clearly differentiate their first preference

Of those who chose increasing the level of family friendly working arrangements 34.5% indicated it was their first priority, 24.7% indicated it was their second priority and 29.1% indicated it was their third priority.

Other key findings are important indicators in informing the scope and nature of the childcare demand:

- *Impact of Childcare Responsibilities on Work*
  - One quarter of all women responding to the survey stated that they had not applied for promotional opportunities because of childminding responsibilities.
  - Of those stating that they had not applied for promotional opportunities because of childminding responsibilities, 90% were female.
  - Other impacts of childminding responsibilities included leaving the labour force altogether.
  - Of all women responding to the survey, only 1.5% stated that childminding responsibilities had no impact on their work routine.
- *Types of Childcare Services Used*
  - Some 71% of respondents were using paid childcare.
  - 64% of childcare takes place in the home of the childminder, while only 10.4% of respondents use crèches/nurseries.
  - Some 43.2% of all children were being minded using “informally” paid childcare services.
  - Some 34.9% of all children were being minded using formally paid childcare services.
  - Workplace crèches represent only a tiny proportion of childcare service used.
  - The remaining 21.9% of all children were being minded, using non-paid childcare services (e.g. unpaid family member, unpaid relative friend or neighbour).

In recent years ICTU has favoured the development of a multi-faceted strategy aimed at meeting the needs of working parents. ICTU’s proposals, detailed below, broach a number of areas for consideration by different sectors:

## 6.2 ICTU’s vision of the employers’ role:

- Employers should play their part in relation to increasing childcare provision by working with workers and their unions to put in place a range of relevant measures at the level of the enterprise.
- Employers should respond positively to needs among the workforce for flexible and part-time working to facilitate the reconciliation of working and childcare demands.
- Supports should be provided to employers and unions to assist them to progress, support, and facilitate the development of child-care approaches at the level of the enterprise to increase the range of childcare options available to parents at the level of the enterprise.

In particular measures should be introduced to allow for:

- Research on the different best practice models and approaches (e.g. vouchers, subsidies, direct childcare provision enterprise clusters, childcare bureau, co-operative childcare, consumer crèches, after school transport).
- Provision of supports at national level for the development of union and employer support structures for implementing childcare at the level of the enterprise.
- Provision of union and employer representatives on the City/County Childcare Committees with co-ordination, information, assistance and practical help to design, negotiate, develop and implement initiatives at the level of the enterprise.
- Provision of supports to facilitate the development of pilot projects by unions and employers for implementation in enterprises and in enterprise clusters.

## 6.3 ICTU’s vision of the Government’s role:

There is a need for greater public investment. There is a need for separate system of financial supports to offset costs of childcare for working parents, specifically:

- A childcare tax credit entitled ‘Childcare Relief for Private Childcare Provision’ similar to the tax credit available for private rented accommodation and make such a credit refundable (through Family Income Supplement).
- Tax relief on receipted childcare expenses.
- Tax exemption of the first €6,000 per annum for a childminder caring for up to 3 children, if based in a caregivers home, and if an annual declaration is made to Revenue by the caregiver (parallels drawn with Rent-a-room relief).
- Childcare vouchers.
- Childcare subsidies.
- A tax exemption for childcare expenses arrangements scheme similar to that available for monthly and annual bus or train passes.

The most recent ICTU policy document issued was the Budget 2005 Submission to the Minister for Finance, in which ICTU proposed:

- A minimum tax credit of at least €20 per week.
- A tax relief of up to an initial €50 per week for parents using approved and receipted childcare.

In May 2005, ICTU launched a policy document *Caring for Future – Who Cares?*

This document seeks to recognise childcare as important a priority for our continuing economic and social prosperity as the so-called hard infrastructure of transport, housing and roads and to harness the strong support of the Social Partners to progress the Initiative in partnership. The document sets out proposals which would form the basic framework for a comprehensive integrated National Care Initiative across care areas. It identifies those aspects of the care infrastructure which should be prioritised for more planning and investment over the next decade.

It calls for the closer alignment of family, care and workplace policy and to reconcile conflicting roles between labour market and caring demands through legislative improvements and the introduction of family-friendly policies at the level of the enterprise, including:

- The incremental extension of Maternity Leave and introduction of paid Paternity / Parental Leave to ensure the provision of parental care for the first year of a child’s life.
- The introduction of the legal right to request part-time work and obligation on employers to actively consider such a request.
- The development of Social Protection systems to protect and provide coverage for atypical workers.
- The revision of the remit of the National Work-life Balance Framework Committee to include – systematic auditing of work practices to encourage greater flexibility and – official reporting on progress achieved.

The document calls for a Strategic Planning Framework and outlines key recommendations to ensure the development of adequate and high quality childcare provision including:

— *assessment of Need*

- a thorough system of assessment of need to inform planning of services i.e. a systematic survey and assessment of need for future childcare service provision (coordinated between National Childcare Coordinating Committee, Health Boards and the Special Education Council);

— *the establishment of new targets for the provision of Childcare*

- accelerate progress towards established short and medium-term goals particularly the implementation of existing commitments to investment in expanding care services;
- the development of a Multi-Annual Investment Programme to provide for 100,000 additional childcare places in the next three years, with specific provision for workplace-based crèche facilities and after school care provision including the maintenance of the existing 100,000 places;

- the design and resourcing of additional workplace-based crèche provision.
- *High quality standards*  
Statutory, independent, comprehensive and effective enforcement mechanisms are required urgently to improve standards in childcare, incorporating:
  - the implementation of *Guidelines for Planning Authorities on Childcare Facilities* and *Childcare (Pre School) Regulations 1996*
  - the enforcement of existing legislation and improve notification and registration of childcare facilities.

## 6.4 Qualifications of staff

Mandatory training for all formal care workers should be introduced within three years. The following, and other relevant development work should be formally adopted:

- Model Framework for Education, Training and Professional Development in the Early Childhood Care and Education Sector;
- Core Standard for the Occupational Role of Childcare Supervisor;
- Social Care Degree Programme;
- Care Assistant Support Courses (intellectual disability); and
- Certificate in Caring Skills (Physical and Sensory).

## 6.5 Governance

Effective governance structures which harness and properly regulate the contribution of a range of service providers (State, voluntary and private), should be considered, specifically:

- To develop or arrange for the development of effective systems of assessment of need, to identify the scope and range of needs and service provision required.
- To develop or arrange for the development of appropriate standards of service provision.
- Having regard to the overall need, to clearly identify the role and contribution of the voluntary (workplace-based) and private providers and to provide financial incentives/supports to achieve the service provision required.
- Having regard to the contribution of voluntary and private providers in respect of childcare, to clearly identify the State's role in service provision and to make adequate financial provision therefor.
- To provide effective and efficient funding, and administration mechanisms.
- To provide effective and efficient monitoring and enforcement mechanisms, including punitive measures where standards are not met.

In this regard to:

- establish and reconcile the roles and responsibilities of Government Departments and relevant offices with responsibilities for childcare, towards a clear coherent structure;
- arrange for the monitoring of the development of the evolving Care Services in terms of providing information (to CSO) on employment levels (male/female), salaries, hours of work, turnover, profits etc.;
- consider the role of the Social Services Inspectorate in monitoring of Care Services for children.

## CHAPTER 7

### ASSESSMENT OF DEVELOPMENTS TO DATE

It is recognised that considerable effort was applied to setting up the administrative, financial, operative and other aspects of the EOCP. In this regard, the allocation of State resources as well as the lead time to create childcare places is significant. The operation of the EOCP has therefore developed gradually and a number of aspects do not appear to be operational long enough to officially evaluate their progress.

Nevertheless, this assessment of developments seeks to form a Social Partner perspective based on the insight/feedback of those involved, on the progress achieved across strategic aspects and priorities of the Programme.

#### 7.1 Strengths

Significant valuable work has been undertaken at policy level, through the various studies of childcare provision and in recent years under the EOCP.

*As a result of this work:*

- The State has recognised the need for childcare and supported a programme to increase the number of childcare places as well as initiatives to enhance the quality of childcare provided.
- A significant increase in childcare places towards 80,000 from a low base of 28,000 has been achieved over a five year period.
- An emphasis on high quality childcare has been established as a desirable ‘norm’. There is an established regulatory basis for aspects of childcare provision i.e. *Child Care (Pre-School) Regulations 1996, Childcare Facilities – Guidelines for Planning Authorities*.
- A developmental agenda to improve quality through greater emphasis on standards, qualifications and specific inputs (such as education) have been explored and documented.
- The implementation of a Childcare Programme, *designed as a equality/social inclusion measure, involving significant investment, targeted at community-based provision* has, in effect, tackled the more difficult element of childcare provision, to some extent and, provides a significant learning base to inform a National Strategy, which now needs to address broader scope of parental need for childcare.
- A new institutional approach has been adopted:
  - Linkages have been made between the Department of Justice, Equality and Law Reform, other Government Departments, and dedicated statutory bodies (such as the National Children’s Office and the Ombudsman for Children), and a new local infrastructure in the form of City and County Childcare Committees. (The Committees comprise of a broad representation of Social Partners and others, linked with local authorities through the County Development Boards.)
  - The National Childcare Coordinating Committee has facilitated networking among a range of personnel within Government Departments, other State bodies, employer and trade union representatives and others.
  - Where the local City and County Childcare Committees have worked well, groups of people with some level of knowledge and expertise in delivering childcare have been established.



- Valuable work on identifying local childcare provision as well as high level work on standards and qualifications has emerged from the Committees.
- The Programme has been supported by the Government's commitment of further resources beyond the initial timeframe and provides a basis from which to consider necessary additions, adjustments or amendments to progress and expand the provision of childcare in the coming years.
- The Programme has delivered significant resources and has improved the capacity of the Community Sector to make a significant contribution to the provision of childcare.

## 7.2 Weaknesses

The State has delivered a limited response to the broad-based need for childcare. The Government commitment and approach of the EOCP reflects a focus on social inclusion aspects of the equality agenda. The ambition of the EOCP and broader supports for childcare have not adequately implemented the recommendations of the extensive work of the P2000 Working Group *National Childcare Strategy* or the recommendations of the *Working Group on Childcare Facilities for Working Parents (1994)*. The increase in supply remains inadequate to meet demand. Adequate financial supports to offset the escalating cost of childcare have not been introduced and childcare has become increasingly unaffordable for most working parents.

The provision of high quality childcare has been the cornerstone of the EOCP. Childminding facilities supported under this Programme are registered. While *Guidelines on Standards for the Voluntary Notification of Childminders to the Health Boards* have been published, there is no mandatory national Registration system and many childminding facilities still operate outside the official system. While the principle concern relates to safety and quality of care, the absence of a registration system also means that basic information needs are not being addressed. Accurate assessments of current levels of childcare provision, including the existing standards and qualification of childcare facilities and workers, are elusive. Revising the *National Childcare Strategy* requires strategic changes in systems to ensure appropriate responsibility and resources are identified and provided to register facilities, address information gaps and ensure a safe and high quality **Comprehensive Childcare Service**.

There are varying levels in the quality of delivery of childcare. The availability of qualified personnel and extent of participation on relevant training courses is unknown. While considerable work has been completed on a *Model Framework for Education, Training and Professional Development in Early Childhood Care and Education Sector (2002)* including the *Core standard for the occupational role of Childcare Supervisor* there is no current **requirement** for same. While some facilities advertise very sophisticated forms of childcare, including significant educational inputs, other facilities struggle to provide a basic service. There is a need for incremental improvement until forms of childcare meet approved standards of quality of delivery of childcare service.

While it is acknowledged the Department of Justice, Equality and Law Reform 'adopted' this brief to forward the equality agenda, aspects of the current Governance structures with responsibility for childcare appear to be confusing and sometimes inappropriate for the tasks involved. Appropriate governance structures require re-thinking in the context of establishing an appropriate State supported system, recognising private, State and community providers and identifying roles and responsibilities in relation to policy formation, assessment of need, models of care, setting and monitoring standards of care, administration and funding of a future **Comprehensive Childcare Service**.

### *The Local Aspect*

It is recognised that key aspects of *determining childcare need* (based on assessment) and *accessing sources of supply* should be locally based. The City and County Childcare Committees have attempted to use their terms of reference to deliver:



- a co-ordinated strategy for childcare services in the county based on an analysis of needs and overseeing effective implementation against set targets;
- an information strategy concerning the provision of childcare in the county (which also updates and develops the baseline data provided in the National Childcare Census);
- local countywide networks and initiatives which target all categories of childcare providers.

However, while these Committees operate under an established legal framework and are supported by staff, the Boards' membership is voluntary in nature, attendance patterns vary considerably and some Committees, apparently, have not been able to interact effectively with official systems. The incomplete engagement in some HSEs and inadequate enforcement of Planning Guidelines are examples of the difficulties. The analysis of need and assessment of provision expected of the City and County Childcare Committees is frustrated by the absence of a clear official obligation to register childcare provision.

Overall, there is considerable variation in the performance of the City and County Childcare Committees. Operating on a limited budget the Committees often do not have the resources or executive power to carry out their functions under their terms of reference. The extent of their links with various official systems such as the HSEs (notification/registration) and the County Council (in respect of planning provisions) varies.

Other local structures include Local Partnerships supported by ADM, County Development Boards and local authority structures including County Councils, the HSE and Citizens' Information Centres. All of these structures are potentially relevant to the delivery of a National Childcare Service but their participation appears to vary from the extensive role of ADM to a minimal role by certain others.

#### *The National Aspect*

Given the nature and scope of the challenge ahead, together with sustaining the progress in childcare provision made to date, the suitability of the current national institutional arrangements must be clarified.

ICTU and IBEC would argue that it is time to build institutional arrangements from national to local level which will adequately support an infrastructure capable of delivering a comprehensive Childcare Service. Future options need to identify the most appropriate lead Department and examine more effective Departmental and local structures combinations. This consideration should build on existing strengths and the significant expertise gained through the EOCP, but pay particular attention to resources and structures which have the potential to network closely. There is a need to focus on where and who in the system can resolve problems within existing systems, or whether new systems are needed.

ICTU and IBEC note these issues are currently under discussion among relevant Departments.

#### *Need for greater system support*

Whatever the institutional arrangements, there is a need to invest in the level of expertise required to sustain and support a national infrastructure which does not currently exist. The expertise required must cover all types of childcare arrangements and a range of activities, from supporting direct childcare provision both on a commercial and a not-for profit basis, to giving advice and information.

### **7.3 Opportunities**

Bringing forward measures to meet the considerable challenges implicit in the weaknesses of the current structures will not be easy. However, ICTU and IBEC believe that an opportunity now exists to revise the current National Childcare Strategy, to set down a basic framework for *strategic planning* for the future and establish specific targets towards the development of a **Comprehensive Childcare Service**. In summary there is a clear opportunity to:

**(a) Redefine the Goal**

It has been extensively argued and is broadly accepted that the development of a **comprehensive Childcare Service**, designed to incrementally meet the childcare needs of all parents in employment, training or education, should be considered as **essential infrastructure** requiring a *National Strategy, a significant role for the State, additional public investment and adequate governance and monitoring structures.*

**(b) Adopt a Strategic planning approach with identifiable targets and specified timescales including:**

- Establishing an interim target to increase supply (say over three to five years) with a long-term target informed by an official system of assessment of need underpinned by an effective national registration system.
- Providing a range of financial supports to parents to incrementally ensure greater affordability of childcare services.
- Planning and executing a more appropriate governance structure(s) identifying clearly roles and responsibilities for information and policy as well as for the mechanics of delivery of a high quality service, ensuring the expertise gained in recent years is harnessed and improved.
- Adopting targets to ensure quality of service (say over three to five years) with a long-term target informed by an official system mandatory training, having regard to the need for accreditation of experience and prior learning.
- Assessing and planning for the financial, administration implications of the targets taking account of the need to deliver affordable childcare.

**(c) Develop an Action Plan to implement the Strategy over a specified period of time.**

## CHAPTER 8

# CONCLUSIONS AND RECOMMENDATIONS

### 8.1 Future directions for childcare in Ireland

Chapters 5 & 6 outline the separate views of IBEC and ICTU on this issue. While there are differing perspectives, which prevent the development of consensus on some areas, there is a significant consensus on a range of issues that form the basis of the Conclusions and Recommendations to follow.

Both organisations' inputs refer to the on-going work of the National Framework Committee. IBEC and ICTU experience of this work, together with the views of the OECD *Babies and Bosses* and, the Report of the National Forum on the Workplace of the Future *Working to our Advantage* also contribute recommendations in respect of increasing childcare provision and flexible working to the challenging agenda of reconciling work and care obligations.

ICTU and IBEC believe the sustained level of economic growth to date, predictions of future growth and pressure for social development make the prospect of developing a **Comprehensive Childcare Service** a realistic challenge.

#### *The Economic Context*

The Irish economy has grown throughout the last decade or more at unprecedented rates, partly due to the careful planning in successive partnership agreements and in EU support to stimulate the economy and employment opportunities. One factor in the recent success has been the increase in labour force participation by women and this has had a direct impact on the rise in demand for childcare facilities. Over the period 1971 to 2001 the number of females in the workplace increased by 140%. The current average participation rate is 56% which is in line with the EU average, but we also have a commitment under the Lisbon Agreement to increase this to 60% by 2010.

It is also interesting to note that in Ireland participation of women in the 25-29 year age group is very high at 80% but this declines steeply for older women. As women also play an important role in societal development as mothers the challenge for the 21<sup>st</sup> century is to make appropriate provision to give women realistic options allowing them to combine the two roles as mother and as worker.

According to ESRI forecasts, we can expect employment growth to continue as our economy is expected to grow on average between 4 – 5% until the end of the decade. FÁS estimates that over the same period the bulk of job growth will be in skilled areas. Building on progress made in the area of equal opportunities in the workplace over the past twenty-five years, it is important to facilitate women with an equal chance to avail of the potential career opportunities that this growth will present to society.

In terms of education we also know that today over 50% of women are going onto third level education compared to only 40% of men. It is sensible, at least, to make continued participation in our workforce a viable option for these highly skilled individuals and adequate childcare facilities will be a key requirement for this to become a reality.

Other demographic factors are important to note here too. For example, the peak of Ireland's population is currently in the 20 – 24 year age group. Current trends show that many women are choosing to have their children later in life frequently in the 30 – 35 year age group for working women. This means that demand for childcare is likely to increase in the next ten years.

## 8.2 An economic and social challenge

In November 2003, a special report to EU Heads of Government from former Dutch Prime Minister Wim Kok analysed labour market practices in 25 EU Members States and made individual recommendations for each country<sup>26</sup>. In the case of Ireland while the report noted Ireland's strong performance in reducing unemployment and increasing participation in the labour market generally it recommended the following as a priority:

“Make work a real option for all . . . Pursue efforts to increase female participation: improve the provision and affordability of childcare facilities”.

Most recently in Ireland the Forum on the Workplace of the Future report ‘Working to our Advantage – A National Workplace Strategy’ (2005) noted:

“Provision of childcare is a key factor in women’s participation in work, and access and affordability in this area remains one of the biggest barriers to women’s participation. Ireland stands out as one of the EU countries where having one or more children under 15 has a significant dampening effect on women’s employment rates.”

A recent study of public and publicly funded childcare systems in Europe, which evaluated the degree to which each national system supports employment by parents, ranked Ireland bottom of the fifteen countries evaluated<sup>27</sup>.

Efforts have been made in Ireland through the social partnership process and the establishment of the National Framework Committee on Work Life Balance to promote flexible work as a solution to balancing work and family life. Acknowledging this the Forum report (2005) noted:

“an increasing proportion of Irish workplaces are developing flexible practices in response to the changing needs of both employers and employees.”

In 2003, the OECD study *Babies and Bosses* observed that notwithstanding the considerable progress which had been made in both the public and private sectors in Ireland to introduce family friendly work practices:

“the penetration of family-friendly workplace practices seems low in view of the many women that drop-out, or drop down to low-paid employment. The business case for providing such measures is strongest for high-skilled employees, but management also does not appear to be fully aware of the virtues of family-friendly measures. Leadership among senior staff could be far more forceful in implementing workplace measures, also to give workers the confidence that they can use these policies without jeopardizing their careers.”

In *Off the Treadmill*, it was noted that:

“The availability of family friendly working arrangements within an organisation does not necessarily imply that these are offered equally to all members of staff. In many organisations, some options and flexibilities are dependent on grade or length of service”.

On the issue of Work-Life Balance, the Forum report (2005) recommends:

“Work Life Balance policies should continue to be promoted, consistent with business needs, in a manner that ensures that the careers of individuals who take up flexible arrangements are not adversely affected.”

The comprehensive Report of the Working Party to the Minister for Equality and Law Reform (1994) on *Childcare Facilities for Working Parents* concluded with a set of 15 recommendations which ICTU and IBEC believe continue to reflect the integrated set of measures which would improve the supply and affordability of childcare in Ireland.

<sup>26</sup> “Jobs, Jobs, Jobs: Creating more employment in Europe”

<sup>27</sup> *The Rationale of Motherhood Choices: Influence of Employment conditions and Public Policies (MOCHO) Project. – Forum report page 63 Table 4.3*

Ten years have passed and, as this report notes, some significant work has been undertaken. A number of the recommendations of the Working Party report were absorbed and progressed in the context of the National Childcare Strategy (2000) and the work of the National Framework Committee on Work-Life Balance.

However, this report argues for a more integrated approach to future developments, combining (i) measures to tackle the non-affordability of childcare, (ii) measures to further enhance supply, and (iii) appropriate workplace developments to ease the combination of work and care obligations to maximise the potential parental role in childcare.

The recommendations set down below reflect many of the conclusions in 1994 but include the need for a shift in mindset in terms of progress from an equality measure to essential infrastructure, an emphasis on structural changes capable of better managing demand and supply and the national adoption of measures to deliver the various aspects of high quality childcare provision.

### 8.3 Recommendations

#### **Recommendation 1: Developing Childcare as part of our essential infrastructure**

Childcare in a modern vibrant economy is part of the essential infrastructure necessary to provide appropriate levels of care for our children while giving realistic options to parents who wish to work or engage in education or training. It is a primary recommendation of IBEC and ICTU arising from the work of this *Sustaining Progress* Sub-Committee that, from a policy perspective, childcare should be dealt with as an essential infrastructural challenge. In the years ahead, Ireland needs a more comprehensive and strategic approach to build on the progress made to date through the EOCP. The system we aim for should be comprehensive, relevant to family and children's needs, better resourced and underpinned by appropriate official public administration systems. In this new approach, childcare decisions should not be made in isolation but should be built into all other considerations on essential infrastructural and other major policy decisions maximising our use of existing facilities and infrastructure, for example our schools, and taking into consideration local issues such as public transport, housing and road networks.

While social inclusion is an important issue in any comprehensive childcare policy, needing specific initiatives and focus, it should not be the sole or driving focus. The broader issue of childcare revolves around all parents caring for their families. Since 2000, largely through the EOCP, Ireland has developed a sound, basic structure to give childcare a foundation in Ireland but there are ongoing challenges that need to be addressed strategically. There is a need for a long-term, coherent and sustained approach involving all areas of planning and governance.

**IBEC and ICTU recommend the revision of the National Childcare Strategy with the aim of delivering a Comprehensive Childcare Service within 10 years. The revised strategy would include an Action Plan that would identify and set clear targets and priorities.**

The key aspects of the Strategy would include the following:

#### **Recommendation 2: Registration**

The current low levels of registration need to be improved upon so that a real assessment of what is being provided in any particular area exists and the particular needs of childminders can be better addressed. Over the lifetime of the Strategy all forms of childcare, including childminders, operating in Ireland should be registered within their local area.

**IBEC and ICTU recommend that an official, mandatory system is put in place to ensure all forms of childcare are registered and that progress towards National Registration is reviewed and reported on by the end of 2010.**

**This should be facilitated and supported locally but overseen by the Childcare Directorate.**

### **Recommendation 3: Assessment of Need**

Strategic planning needs to be as realistic as possible. Decisions about priorities and spending should be informed by accurate data on current and anticipated demand. Getting such data in the absence of greater levels of registration and no apparent local authority with responsibility for collection of such data is one of the major challenges facing policy makers in this area but it is an essential starting point. Ireland needs to develop systematic assessment of needs and to identify what is the most appropriate mechanism to accurately and comprehensively achieve this. The assessment would need to focus on local level in order to take real stock of differences across the country. If such need is to be identified on the basis of surveys, they would need to be repeated on a regular basis in order to better assess needs being met or new needs developing. It is in no one's interests to support infrastructure where it is not required.

**IBEC and ICTU recommend the development of an official system to assess childcare needs in local areas. The system needs to have the status of an official record.**

### **Recommendation 4: Quality**

#### ***Standards within Childcare***

It is essential that standards of care are optimised in the childcare sector, where children's earliest development is to be nurtured in a supportive, well-managed and well planned environment. Basic standards of care are already prescribed in the Child Care (Pre School) Regulations 1996.

**IBEC and ICTU recommend the allocation of better resources and annual reporting on the implementation of the Child Care (Pre School) Regulations 1996.**

#### ***Training in Childcare***

The numbers of persons actively engaged in the delivery of childcare is growing annually with the creation of new childcare places both with and without the support of the EOCP. While there have been significant improvements in the levels of training among childcare practitioners, there are still many gaps in relation to the availability of training, particularly at the supervisory and management levels. IBEC and ICTU have been party to discussions at the National Childcare Co-ordinating Committee where the variability in the quality of apparently similar training courses has been discussed. Much work is currently underway in relation to the development of standards, through the Centre for Early Childhood Care and Education, and the sub-group of the National Childcare Co-ordinating Committee on the Model Framework for Qualifications and Training for the childcare sector, and the development of a curriculum/programme for early years care through the National Council for Curriculum and Accreditation.

A further issue in relation to the emerging accreditation of childcare training is the Recognition of Prior Learning. Many childcare practitioners have significant experience, possibly further informed by informal training. There is a need to formally recognise, and where appropriate, advance the accreditation of this valuable experience to afford opportunities for those who have much useful and



practical development to progress their formal learning and their employment prospects without the requirement that they formally complete the more basic levels of training.

IBEC and ICTU regard it as essential that courses are delivered to nationally agreed and accredited quality standards which are sufficiently flexible to apply to all forms of childcare. This will also ensure that the potential employer can be sure of the quality of the job applicant. It is understood that some courses do not offer practical experience as a key element. In a sector where inter-personal skills and the capacity to engage with the child is key to the success of a childcare practitioner, the inclusion of a supervised period of work experience would appear to be essential.

**IBEC and ICTU recommend:**

- **that childcare providers be supported to meet and surpass these basic standards over the lifetime of this Strategy so that Ireland uniformly has a childcare service the quality of which matches the best in Europe. There should be a review of progress by the year 2010;**
- **that the National Childcare Coordinating Committee advance the Recognition of Prior Learning for accreditation purposes with the National Qualifications Authority of Ireland;**
- **that there should be a review of existing training facilities with a view to identifying appropriate models for ensuring the professional development of the sector.**

***Career Progression in Childcare***

IBEC and ICTU both believe that salary levels should reflect the experience and qualifications required as well as the economic, commercial and employment circumstances of each employment in the sector in providing for the delivery of a quality service on a competitive basis. This is essential in order to attract and retain staff and to promote professionalism in the sector.

While, in line with experience in the rest of the world the childcare workforce in Ireland is predominantly female, IBEC and ICTU believe that intensified efforts should be made to attract suitably qualified male personnel at all levels.

ICTU and IBEC recommend that appropriate mechanisms are put in place to monitor and report on levels of the supply and demand of appropriate childcare workers and the qualifications and experience among childcare workers.

**Recommendation 5: Increasing the number of childcare places available to meet future demand and to increase childcare options to meet diverse needs**

Parents need to be supported in their choices around childcare so that they can do what is best for their families. In many cases, this is to make use of various forms of childcare facilities which support parents who wish to enter or remain in education, training or work. IBEC and ICTU recognise the vital increase in the number of childcare places under the EOCP across the country. But we believe that it will be essential to continue to focus on increased availability of places in order to give realistic options on care and to meet future demand.

The structure of childcare in Ireland is varied with children and families taking advantage of different options to suit them from nurseries/crèches, group childcare facilities, childminders, care by a relative, after-school care, nannies or au pairs, childminders in either their own home or the children's home and a number of other variations. IBEC and ICTU believe that all of these types of childcare



are valid and have a role to play in terms of our overall policy. Our 10 year childcare plan should recognise and support this diversity in sustainable ways. There are a number of different factors that have had an impact upon supply of childcare in Ireland including the existence of active community and other not-for-profit groups, investment opportunities for private providers, planning guidelines which encouraged estate-based facilities and childminders interested in working from their own homes. Our experience has shown us that the existence of support through the EOCP has been vital for the setting up of a significant number of the facilities we now have. We expect that further investment through a new EOCP will continue to be essential in developing availability of places.

Whilst the increase in the number of places over the past six years has been impressive, it is inadequate to meet current or anticipated need over the next 10 years. Ireland needs to continue to increase the number of places available and the different types of childcare available. Newly created childcare places will be in very different parts of the sector and these differences need to be supported so that parents can make the best choices for their children and families.

Funding under a scheme to follow-on from the EOCP needs to be ensured so that Ireland can continue to develop new childcare places to address existing and new needs that emerge. Ireland needs to refocus what it has been doing under the EOCP, so that concentration is given to the childcare needs of all parents and not just those facing economic disadvantage. A new National Childcare Strategy would need to continue the excellent work done through the EOCP programme whilst paying attention to areas that have not been developed to the fullest yet. Some of these are listed below. Not all of these areas will contribute a huge number of childcare places, but they are part of the essential fabric of the childcare sector and of important options and it is the totality of the sector that needs to be developed.

**IBEC and ICTU recommend that a target number of 100,000 additional childcare places will be created through investment in physical infrastructure and running costs over the period of this strategy with interim targets of 10,000 additional childcare places a year. This includes all types of childcare: pre school, school age, flexible etc.**

#### **Recommendation 6: Encourage childminders**

Childminders represent a key part of the childcare structure in Ireland by providing care in family settings – currently holding the largest market share. Childminding has provided the backbone of the childcare structure in Ireland and it is expected that this will continue to be the case at least in the medium term. However, the role of childminders needs to be recognised in the formal economy and further supported and developed.

Formalising this important part of the childminding sector will be a challenge. However, with greater supports and better communication IBEC and ICTU believe that registration should be made more attractive to childminders. For example, additional supports to help childminders to really understand the taxation issues and potential tax benefits or reliefs available to them and how to manage this in a clear and transparent way, will form an essential component of increased registration. In addition, the opportunity to access grants and training should be publicised more fully. In going through this process, should any barriers or significant disadvantages to registration emerge, these should be addressed as a priority.

**IBEC and ICTU recommend the active promotion and development of further supports to encourage childminding by the Childcare Directorate working closely with childminders, their representatives and with the Revenue Commissioners.**

**Recommendation 7: Extension of incentives to encourage employers to support childcare**

While the actual number of work-based childcare facilities in Ireland is small, they make an important contribution to our overall infrastructure and should be encouraged and supported. Many existing workplaces which *do* provide childcare supports and facilities are working well and are successful.

IBEC and ICTU recognise that operating a workplace childcare facility may not be a viable option for many businesses in Ireland for reasons of space available and costs involved. Where it is considered viable, it is recommended that these initiatives are encouraged and supported. It may be feasible for clusters of employers within a business park or industrial estate to provide a collective service. It is recommended that the Minister for Finance consider the extension of incentives which are available for the creation of childcare services to make them more attractive to individual employers and to collectives of employers.

However, a number of other, imaginative workplace supports for childcare are used in some companies. These initiatives include things like developing web based information on internal intranet sites, providing emergency childcare places or childcare vouchers, contracting service providers to run summer camps and also contracting experts for a resource and referral type of service that employees can access to assist them to identify workable childcare solutions for their family.

Of the various options that exist or that could exist, some are currently covered by the existing benefit-in-kind provisions and this is potentially providing a disincentive.

**IBEC and ICTU recommend that the current BIK structure is re-examined to remove barriers that exist or discourage imaginative solutions in this area.**

**Recommendation 8: The need for childcare facilities to reflect flexible and changing needs**

Whilst significant progress still needs to be made in Ireland with regard to the provision of full-time childcare, the area of supporting flexible childcare is even further behind. This is important because Ireland has made significant improvements and changes with regard to flexibility in the workplace and the hours and patterns that many of us work now are diverse. Many workplaces have put in place various family-friendly supports which have allowed a greater number of people to work part-time, or specific hours, some even working overnight.

**IBEC and ICTU recommend that in the next phase of funding future EOCP supports should focus on encouraging availability of flexible or part time childcare places.**

Considerable investment is required to meet the Barcelona target agreed by Government which identified a target provision to make available childcare for 90% of children between three and the mandatory school age and to at least 33% of children under three years of age. However, childcare is not only an issue for pre-school children. A comprehensive childcare strategy must recognise that childcare solutions are needed to cover a full range of children from infants to probably around 14 years. It is a great disappointment in this area that so little progress has been made in developing our use of our school buildings and facilities to maximise the use of our infrastructure in devising innovative responses to childcare needs. IBEC and ICTU believe that the recommendations in the recently published ‘School Age Childcare in Ireland’ report should be implemented and that further supports should be developed for other forms of flexible childcare.

**IBEC and ICTU recommend that a future EOCP should focus on the Barcelona target as a national commitment but also to invest in pre-school and school age childcare projects, especially those that are school based, in the next phase of development.**

#### **Recommendation 9: Encouraging/Supporting Flexible Working**

In addition to childcare, other measures which can be pursued by employers and workers to help reconcile family and work responsibilities include the adaptation of employment conditions through the re-organisation of working time or work processes. The forms of work organisation and other work related measures which are extensively explored in the report of the Working Group on Childcare Facilities for Working Parents remain valid, though IBEC and ICTU hold diverse views on the extent to which flexible forms of work are available to the workforce. There has been significant progress on aspects of this agenda through the work of the Framework Committee on Work Life Balance. Flexible forms of work organisation include part-time, job sharing, flexible hours, career breaks, term time working and outside school hours schemes.

**ICTU and IBEC recommend that the work of the Framework Committee on Work Life Balance continues to take initiatives to promote flexibility in work organisations to assist individuals reconcile work and family responsibilities and to support companies exploring this area.**

#### **Recommendation 10: The issue of affordability must be addressed as part of the solution**

The issue of supply cannot be taken in isolation from the issue of affordability. The cost of childcare is already impacting upon decisions that families are making. As the CSO figures show, whilst parents and families have very different wishes and aspirations, some parents cannot access their first option for their children because of availability in their local area or because of the price. It is clear that the price of various different services in Ireland is limiting or curtailing the type of childcare that families are accessing and is impacting on decisions about future labour force participation.

**IBEC and ICTU recommend that the appropriate authorities, informed by the current review on tax interventions for childcare, should address the issue of affordability of childcare as a matter of urgency with a view to alleviating the high payments that parents are making in the formal economy and ensuring childcare provision is affordable for parents in employment, training or education requiring support.**

**In view of our experience in recent years it is the view of IBEC and ICTU that in order to make progress on this issue, it is now necessary to decouple the issues of child benefit and affordable childcare for parents in employment, training or education.**

#### ***IBEC – ICTU Proposal for a Childcare Voucher System***

Through the work of this special committee under Sustaining Progress, both IBEC and ICTU have examined in detail the issues relating to childcare in Ireland from the perspective of employers and employees. It is the conclusion of this review that recommendations for a **Comprehensive Childcare Service** would be incomplete without a reference to the matter of affordability. Accordingly, IBEC and ICTU believe that it is necessary for the State to provide additional and specific supports to working parents faced with heavy childcare costs in order to make continued working a realistic option. In making this proposal, detailed consideration has been given to the costs involved and the totality of the challenge. A number of overriding considerations underlie this proposal:

- Because of the extent of costs involved, to deliver real benefit any Government initiative in this area must be focused. This proposal has its focus as a labour market initiative, i.e. to make continued working or education a realistic option for parents of young and school age children.
- It is recommended that childcare should be dealt with on a comprehensive basis and therefore this proposal should be considered as part of a total package including all other recommendations in this document.
- Any initiative must encourage a move to the formal economy, of all childcare facilities including childminders, and this proposal is structured to support this and to encourage childminders into the formal sector.
- The priority is to address the point at which working parents are most likely to leave the workforce.
- As the most likely point for a working parent to decide to leave the workforce is after the birth of his or her second child, this initiative is focused accordingly.

### *The families who would qualify to avail*

- It is recognised that, as any such intervention would be additional to existing supports e.g. Child Benefit payments or the EOCP investment programme, it is essential that it is targeted to be as effective as possible.
- IBEC and ICTU consider that for most parents, the affordability of childcare services becomes most problematic when it is required for more than one child. The additional costs incurred at this point very often result in a parent, most commonly the mother, leaving his or her paid employment on the basis that to continue is not a financially viable option. These financial pressures impact negatively on employees in terms of real choice and employers in terms of retaining a skilled workforce. There are also longer term implications, such as pension coverage, PRSI entitlements, career progression and the gender pay gap, for both the individual parents concerned and for society in general.
- Therefore, such an intervention should be targeted at families – whether two parent or one parent families – with 2 or more children of primary school age or younger. The support would only apply to the second and subsequent children.

### *The euro value to families*

- With regard to the level of the support which is required, IBEC and ICTU believe this should be considered in the context of the actual level of childcare costs incurred and an acceptance that this is a social issue for which State support through public funding is both necessary and appropriate.
- With regard to the actual level of childcare costs, it is considered reasonable to target these at children under 13 years of age, effectively pre second level school children, and to further distinguish between children aged 5 to 12, effectively primary school children, and children aged 0 to 4 years, for whom childcare costs are almost inevitably at their highest.
- On this basis, it is proposed that a subvention payment of 40% of the actual childcare costs incurred would be paid in respect of children aged 0 to 4 years, and of 20% in respect of children aged 5 to 12 years. There is a significant variation in the level of childcare costs depending on a range of factors such as the geographical location of a service, the type of childcare setting, etc. Based on the information available, it is proposed that an average figure of €175 per week be taken as an average childcare cost for the purposes of the support payment, that is, the maximum amount of childcare costs against which 40% or 20%, can be claimed.

**For example, a parent paying €200 per week would be limited to claiming 40% or 20% of €175 (the actual cost incurred is limited by reference to the average cost for the purposes of the payment), while a parent paying €100 per week would be limited to claiming 40% or 20% of €100 (the actual cost incurred).**

### *Maximum income thresholds*

- A further issue arises in regard to the question of whether the subvention should be universal or based on a tiered structure of gross family income levels. To be consistent with the aims of social equity and of focusing on those parents most at risk of leaving the workforce because of childcare costs, IBEC and ICTU are not suggesting the introduction of a universal support system.
- However as a broadly targeted social support payment which recognises that parents with significant income levels struggle with childcare costs, IBEC and ICTU consider that the gross family income threshold over which a parent would not be eligible for the support, should be set at a relatively high level.
- To avoid a complex and costly administrative system, it is also proposed that the operation of a single threshold would be most effective while maintaining an equitable approach. It is proposed that this threshold would be set at a figure of four times the Average Industrial Earnings. Based on an average industrial earnings figure of €30,000 per annum, this would indicate a current threshold figure of €120,000 per annum.

### *How it would operate*

- A monthly voucher payment scheme is envisaged as the operational mechanism of the scheme.
- One parent per family would be entitled to apply to receive monthly voucher(s) payable against childcare costs, in respect of each child (other than a first child) aged under 13 years, provided the gross family income is less than an amount equivalent to four times the Average Industrial Wage.
- A parent issued with a voucher can present it to his/her registered/notified childcare provider as part payment of his/her monthly childcare costs (e.g. a voucher with a stated value of €280 (issued in respect of children aged 0 to 4 years) would reduce the monthly cost to a parent by €280).
- It is also proposed that a quarterly payment scheme would be introduced under which the childcare provider could redeem the value of the vouchers and that this would be subject to the normal control mechanisms such as up to date tax returns, accounts, etc.
- A quarterly system would ensure that any deferral in the benefit of the voucher to the parent, would not be for more than this period.
- ICTU and IBEC propose this system to relieve the most serious pressure points for parents which, for most parents, arise when childcare costs have to be found for not one but two or more children and tend to be at their most severe when children are in the pre-school age bracket and childcare costs tend to be at their highest.
- Registered childcare providers and notified childminders would be eligible to participate in the system. This would include childminders who mind 3 or less children (in addition to their own) and who avail of the voluntary notification process.

### *Costings*

Initial costings for this proposal suggest that the Exchequer cost for a year, based on the current structure of the formal childcare sector and assuming each voucher would be used to its maximum value, would be in the region of €225 million when the scheme was introduced, but that as providers shift from the informal to the formal economy, costs would increase up to €360 million.

### **Recommendation 11: The need to strengthen planning regulations relating to the provision of childcare**

**IBEC and ICTU recommend that the current planning guidelines with regard to the building of crèche services for new housing estates of more than 75 homes be reviewed to assess their effectiveness and to estimate what they are actually delivering in terms of additional childcare places.**



At present these are voluntary guidelines and little work has been done to monitor their impact or to assess their effectiveness or use. At present, there is no consistent system for recording what has been developed following the guidelines, let alone what has been successful. These guidelines need to be reviewed to assess whether the terms are appropriate in the abstract or in all circumstances. Part of this assessment and review would look at the arrangements with regard to the ownership and management of new facilities.

**Once the guidelines have been reviewed, IBEC and ICTU recommend that the results of the review be taken on board. Following this process, the contents of the guidelines should become enforceable and the extent to which they are being followed should be reported.**

### *Addressing the time-lag*

In addition, our experience through the EOCP has shown that it takes on average 3 years to create a childcare place. This is too long and any planning and administrative barriers causing this delay should be identified and actions identified to shorten this period to an average that is more reasonable.

### **Recommendation 12: Childcare should feature in County Development Plans**

Like many other services, families look for childcare in their communities or nearby – it is very much a local need. There are differences in the services on offer throughout the country and different preferences and needs in different areas. The assessment of childcare needs to look at issues at a local level so that areas can best see what is lacking or weak in their locality and make realistic estimates about what is needed in the future.

**IBEC and ICTU recommend that County Development Plans should take into account the childcare needs of the area and should develop a range of childcare services to offer families the support they require.**

### **Recommendation 13: Governance**

The effective implementation of many of the recommendations set down in this report critically relies upon an appropriate institutional and governance structure and systems as well as the improvement and exploitation of relevant successful elements of the EOCP.

The related issues are set down in Chapters 5 and 6 of this report. ICTU and IBEC believe that solutions to the apparent conundrum of appropriate institutional and governance structures can be identified if there is a focus on problem-solving and identifying mechanisms or developing alternative mechanisms to ensure the appropriate level of contribution and interaction by relevant official and non-official resources.

The expertise and knowledge gained through the EOCP must be maximised within a supportive and comprehensive structure based on effective networking and appropriate resourcing.

The operation of a central Government and National / Local Childcare Committee system, supported by the Childcare Directorate, has been partially successful. Closer examination exposes weaknesses however, that if not addressed, threaten the more effective roll out of a National Strategy to develop a **comprehensive Childcare Service**.

An underlying issue is either to address the ineffectiveness of the current voluntarist approach or to establish the basis, nature and extent of obligation within the system, to ensure an effective childcare service within a reasonable timeframe.

A number of options at national and / or local levels are discussed in Chapter 3.

The real challenge lies in developing the most effective combination of options, identifying:

- a lead Department, accumulating appropriate expertise, building on and supplementing existing expertise, with ultimate responsibility for co-ordination, of activities at policy level;
- a Network of associated Departments and national bodies within a National Structure;
- formalising the local structure of City and County Childcare Committees, either within the sponsoring Lead Department or as a separate dedicated new Local Authority / structure, or attaching the existing voluntary Childcare Committee structure to an existing local authority structure;
- increasing resources and providing comprehensive education and training for representatives and co-ordinators, including developing greater awareness of the local structures in other countries, is required to enhance the roles and efficiency of the City and County Childcare Committees.

The development of future options depends critically on **additional** administration and investment funding to support the development of a **Comprehensive Childcare Service**.

This combination should facilitate the development over time of an official approach to registration, assessment of need, accreditation of qualifications and setting, monitoring and inspection of standards of care, both in terms of physical infrastructure and physical / developmental care.

The current system whereby City and County Childcare Committees assist in the assessment of the value of project proposals, to enhance local supply and recommend in regard to the acceptance of financing, appears to work well and should continue. It is noted however that the system may have relied heavily on the experience of key individuals.

The key is the mechanism(s) developed to ensure effective local relationships given the range of potential contributors, those relationships linking the national and local levels.



# APPENDIX 1

## DEFINITIONS

As there is a range of views on the meanings of various terms associated with the care of children some definitions have been listed for the purposes of clarification:

- **Childcare**  
For the purposes of this paper, the term “Childcare” refers to day care facilities and services for pre-school children and school going children out of school hours. It includes services offering care, education and socialisation opportunities for children to the benefit of children, parents, employers and the wider community. Thus services such as naíonraí, day care services, crèches, play groups, childminding and after-school groups are included, but schools (primary, secondary and special) and residential centres for children are excluded.
- **School age childcare<sup>28</sup>**  
Childcare for school going children provided outside of normal school hours where the same children attend a childcare facility on a regular basis and access to the service is clearly defined by agreement with parents and guardians. The service is usually provided Monday to Friday. It is not covered by the Child Care Regulations.
- **Childminders**  
Childminders care for a small group of children of mixed ages in a “home from home” setting. Children are welcomed as individuals; they are offered affection and respect and their developmental and recreational needs are met. Childminders offer a flexible service, tailored to each child, helping parents/guardians to balance their work and family commitments. Parents and Childminders negotiate their own terms.

Childminders caring for more than three pre-school children are legally obliged to notify the HSE of their services unless they are exempted under Section 58 of the Child Care Act 1991. Part VII of the Act defines a pre-school child as “a child who has not attained the age of six years and who is not attending a national school or a school providing an educational programme similar to a national school.”.

Section 58 outlines the conditions for exemption from the provisions of the Act:

- (a) the care of one or more pre-school children undertaken by a relative of the child or children of the spouse of such relative,
  - (b) a person taking care of one or more pre-school children of the same family and no other such children (other than the person’s own such children) in that person’s home,
  - (c) a person taking care of not more than 3 pre-school children of different families (other than that person’s own such children) in that person’s home.
- **Full day care**  
Full day care is the provision of a structured day care service for children for more than 3.5 hours per day supervised by competent personnel. Full day care includes crèches and nurseries.

<sup>28</sup> Developing School Age Childcare, Report of a Working Group of the National Childcare Co-ordinating Committee

## APPENDIX 2

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## APPENDIX 3

### DEVELOPMENTS IN CHILDCARE IN OTHER COUNTRIES<sup>29</sup>

#### France

##### Overview of childcare in France<sup>30</sup>

In France, children have a legal right to a place in a free pre-school (“école maternelle”) from the age of three years. The pre-schools are formally part of the primary school system and come under the auspices of the Ministry of Education. While attendance is not compulsory, almost all three to five year olds attend the écoles maternelles. It has become increasingly common for children at the age of two and a half to attend also – about 33% of two and a half year olds attend pre-school.

Non-parental care options for children under three may take the form of parent co-operatives, crèches run by local authorities or non-profit groups, private providers and workplace crèches.

Home-based care may be provided by officially approved *assistantes maternelles* – day care providers who provide care for a fee for up to three children in the provider’s home. Providers must be approved in order to work in the profession. They are typically employed directly by parents and are protected by a wage law which entitles them to a minimum of 2.25 times the basic national minimum wage per child per day.

Less regulated are the in-home caregivers (*gardes à domicile*) who work in the child’s home.

##### *Centre-based childcare*

Centre-based childcare is provided for children aged 0 to 3, after which the pre-school system comes into play. The implementation of centre-based childcare policy in France is overseen by a single public agency, the National Family Allowance Fund (Caisse Nationale des Allocations Familiales or CNAF) for the last thirty years. In each administrative area, a local Family Allowance Fund (CAF) pays out allowances and subsidies in accordance with national policy, such as family allowances for formal childcare, in-home providers and parental leave wage replacement. The CAF also helps develop local community and not-for-profit care, offering both technical assistance and financial support for capital and staffing costs. Local authorities, while not obliged to provide childcare services, are strongly encouraged to do so by the CAF, whether through managing and financing provision or through co-ordinating provision.

##### *Maternity and parental leave*

Paid maternity leave in France amounts to 16 weeks paid (6 before, 10 after) for a first child. This rises for a second and subsequent children to 26 weeks (8 before and 18 after). The leave is job-protected. Fathers are entitled to 11 days of paid, job-protected leave. There is unpaid parental leave until the child’s third birthday.

##### Allowances payable

Over 90% of children aged 0 to 3 cared for in the home by parents or otherwise qualify for some form of state support or subsidy.

The *allocation pour jeune enfant* (APJE) allowance is an income-tested benefit which may be received from the fifth month of pregnancy until the child’s third birthday. Currently, 80% of families with children under three receive the benefit (€156 per month).

The *aide a la famille pour l’emploi d’une assistante maternelle* (AFEAMA) is applicable to families with children under six who employ an *assistante maternelle* or family day care provider. The allowance covers social contributions. There is also an additional allowance which varies according to the age of the child and family income which helps offset other costs. Depending on income the allowance for a child under three ranges from €203 to €133 per month. A half allowance is payable in respect of children from three up to six.

<sup>29</sup> Much of the material in this appendix was researched in February 2005 and reflects best information available at that time and it should be regarded as indicative. In the interests of readability, some of the figures in foreign currencies have been rounded when expressed in Euro amounts.

<sup>30</sup> The source for most of the material on France was “OECD Country Note: Early Childhood Education and Care Policy in France”, Directorate for Education, OECD, February 2004.

Families who use an in-home caregiver to care for one or more children under age six may get a subsidy for the social contribution element of the cost.

### *Tax benefits*

Parents also can benefit from tax reductions to offset costs of childcare. Specifically, parents can be reimbursed up to 25% of out-of-pocket expenses up to €2,300 per year. The maximum tax reduction is €575 per year. To offset the costs of hiring an in-home caregiver, parents can receive a tax reduction equivalent to 50% of out-of-pocket expenditures up to €6,900. Thus, the maximum tax reduction is €3,450 per year.

### Childcare Fees

Childcare services across France are required to follow the same parental fee scale (barème) which is adjusted according to family income and size, regardless of whether they are run by the commune or a non-profit agency. According to the OECD, on average, families with children under age three spend about €2,100 per year on childcare after deducting allowances but before taking into account tax reductions.

## **Australia**

The Australian government supports families in a number of ways.

### *Maternity Payment*

A universal Maternity Payment of €1,775 for each newborn child was introduced on 1 July 2004. The payment was increased by indexation to €1,800 in September 2004 and will increase to €2,365 in July 2006 and €2,960 in July 2008. The benefit is available to all families regardless of the family's income.

### *Family Tax Benefit Part A*

Family Tax Benefit Part A is paid to eligible families for children aged under 16 years and in respect of dependent full time students aged 16 to 24 years who are not in receipt of a pension, or labour market payment or a benefit such as "The Youth Allowance". In addition the income of the child must be below €6,475 per annum. Families with incomes below €19,200 a year receive the maximum rate of payment. Families with income between €19,200 and €49,700 (plus €2,000 for each Family Tax Benefit child after the first) receive a reduced rate of Family Tax Benefit Part A. The benefit is not payable where family income reaches €53,000 (for one child aged 0-17 years) or €54,000 (for one child aged 18-24 years) plus €2,000 for each eligible child after the first. After this threshold the benefit reduces at the withdrawal rate of 20%. The A lump sum payment of €355 per child for eligible families is paid in June with provision for a further €355 per child to eligible families on completion of an annual reconciliation of the previous financial year's Family Tax Benefit Part A.

### *Family Tax Benefit Part B*

Family Tax Benefit Part B gives extra assistance to single income families with incomes under €23,650 per year including lone parents, particularly if children are aged under five years. At this threshold the benefit starts to reduce by the withdrawal rate of 20%. There is no income test for lone parents. If parents are couples they will receive some Family Tax Benefit Part B if the second earner's income is below €11,208 a year and if the youngest child is under five years of age or €8,530 a year if the youngest child is between five and 18 years of age. The maximum rates of Family Tax Benefit Part B are as follows:

Age of youngest child	Per fortnight	Per year
Under 5 years	€67.83	€1,768.33
5-15 years (or 16-18 if a full time student)	€47.29	€1,232.87

From July 2005 the minimum rate of "Family Tax Benefit Part B" will increase by €177 per year. When the lower income earner returns to work their income from employment is not counted against their eligibility for the benefit for payments already received in that financial year. However, if the partner earning the lesser amount earns more than the relevant income limit then all Family Tax Benefit Part B will need to be repaid. Family Tax Benefit Part B can choose to receive the benefit in the following ways: to be paid to a family annually as a lump sum after the end of the income tax year; fortnightly; or as reduced fees to the childcare provider.



### *Child Care Benefit*

The Child Care Benefit (CCB) is a means tested payment based on family income which is available to families to help with the costs of child care up to a maximum of 50 hours of care per week. All eligible families can receive up to 20 hours of CCB a week. A family can obtain up to 50 hours of CCB per child per week if they meet a work related care test. Families can obtain more than 50 hours of CCB per week if they claim CCB reduced fees and if the parent with day to day responsibility for the child is not available to care for the child more than 50 hours a week due to work, study, or training commitments. CCB is primarily claimed fortnightly through reduced child care fees based on an estimate of family adjusted taxable income. An annual reconciliation is done when tax returns are lodged and the CCB is recalculated.

Families are eligible to receive CCB for their children if they meet residency and immunisation requirements, and the child attends an approved<sup>31</sup> or registered child care facility for which the parents are charged a fee<sup>32</sup>. Rates of CCB for Approved Care vary according to the number of children in care, whether children attend school and the type of childcare used. Families using Registered Care are eligible for the minimum rate only. Families with incomes less than €19,220 per annum receive the highest rates of assistance. The maximum rate is €1.66 per hour if there is one child, €1.73 per hour per child if there are two children and €1.80 per hour per child if there are three children. The minimum rate of CCB of €0.28 per hour is payable where the family income per annum is in excess of €55,200 with one child in childcare, €59,800 with two children in childcare, and €85,700 with three children in childcare. The maximum rate for a school child<sup>33</sup> is 85% of the maximum non-school child rate.

### *Child Care Tax Rebate*

The Australian Government was planning to introduce a (non-refundable) tax rebate scheme for families' out-of-pocket childcare costs up to a maximum rebate of €2,365 per child per annum in respect of children in approved childcare. It was proposed that the rebate be calculated at the rate of 30% of fees paid minus CCB received. The rebate, which is to be backdatable to 1 July 2004, is to be claimed on the subsequent tax year return i.e. a rebate for 2004/5 may be claimed in a return for 2005/6. Taxpayers with insufficient liability to absorb the whole rebate are to be given the option of transferring any unused amount to their spouses.

### *Child Care Support Programme*

The Child Care Support Programme is a €535 million programme operating from 2004/5 to 2007/8 to support the establishment and sustainability of funding of services, provide funding, training and support for products and services promoting equality of access, and fund childcare places and a quality assurance programme.

### *Jobs Education Training Child Care*

The Jobs, Education and Training (JET) scheme is a €37 million programme running from 2004/5 to 2007/8 to help parents in receipt of a "Parenting Payment" by aiding them to enter or re-enter the workforce. The programme helps participants access education, training, employment and childcare.

### *Increase in the number of childcare places*

The Australian Government allocated an additional 40,000 outside school-hours care places and an extra 4,000 family day care places in the 2004/5 Budget.

### *The Long Day Care Initiative Scheme*

This is a €7.5 million programme during 2004/5 to 2007/8 to provide community and private providers with short term incentives to encourage the establishment of 25 new viable long day care centres in rural and urban fringe areas of high unmet demand.

<sup>31</sup> "Approved Child Care" includes most "long day" childcare facilities, approved family day care, before and after school-hours care, and some in-home care.

<sup>32</sup> "Registered Care" is care provided by grandparents, relatives or friends for work related purposes by carers who are registered with the Family Assistance Office.

<sup>33</sup> A school child includes children who attend the following classes at primary school: kindergarten in NSW and Capital Territory, preparatory in Victoria, Tasmania or Queensland, pre-primary in Western Australia, reception in South Australia, or transition in the Northern Territory.

### *Parental leave*

Permanent full time and part time employees are entitled to 52 weeks of shared unpaid parental leave if they have worked continuously for their employer for more than 12 months following the birth (or adoption) of a child. Only one week of the leave may be overlapped between parents as the provision is designed to meet the needs of the primary carer.

### **Great Britain**

Costs of childcare vary in accordance with the setting, and also on a geographic basis, with very much higher fees being paid in the Greater London Area than elsewhere. While typical fees outside the Greater London Area for full time care provided by a childminder vary from €125 to €195 per week, centre based childcare varies from €140 to €240 per week, fees in excess of €295 per week were the norm in many instances in the Greater London Area. Following a major investment programme, the delivery of school age childcare is becoming better established in Great Britain. Typical daily fees were €7 to €13 per half day session while holiday clubs cost from €55 to €125 per week.

### Pre-school childcare places

In Great Britain (April 2004) parents of children aged three and four years have the option of availing of a free part-time childcare place (usually in the nursery term following their third or fourth birthday). The free part-time childcare place entails five sessions each lasting two and a half hours for thirty-three weeks of the year. Several different childcare providers, including day nurseries, nursery schools and playgroups can offer the free part-time places. Childminders who are part of Childminding Networks can also provide free part-time places. These free part-time places are funded by the Local Education Authority with payment made directly to the service provider. Parents pay additional fees if further childcare is required.

### Tax credits<sup>34</sup>

Families with incomes up to defined income limits are eligible for the “Child Tax Credit”, paid into the bank account of the main carer. Extra assistance is available if the child is a baby under one year old or has a disability. The “Working Tax Credit” provides extra assistance for working parents and people with a disability in employment. The Working Tax Credit can pay up to 70% of the cost of registered childcare (which will rise to 80% in 2006), assuming a ceiling on the cost of €200 per week for one child, and up to €295 per week for two or more children i.e. €140 per week towards registered childcare, if there is one child, and €205 per week, if there are two or more children.

Within the context of its ten year strategy to improve childcare affordability, availability, quality and choice, the UK Government recently published the Work and Families Bill 2005. This provides for, amongst other things, the extension of maternity and adoptive pay from 26 to 52 weeks. The legislative change is required to allow the UK Government to meet its declared intention to extend paid maternity leave to 39 weeks by April 2007, and to 52 by the end of the current Parliament. The Bill also provides for a new Additional Paternity Leave: Birth (and adoption) which can be up to 26 weeks and must be taken for the purpose of caring for a child. It must be taken in a child's first year and is applicable where the mother has returned to work. Employers would be liable to pay for the additional leave (payable at the same rate as maternity pay), with 92% of these payments being recoverable (100% in the case of small employers).

### **Sweden**

Childcare provision in Sweden is underpinned by two main policy objectives officially laid down in the early 1970's with the launching of a large-scale development programme for Swedish childcare. One is to make it possible to combine parenthood with employment or studies and the other is to support and encourage children's development and learning and help them grow up under conditions that are conducive to their well being. Publicly funded childcare is provided to children aged 1-12 years, financed partly by central government grants and partly by tax revenue and parental fees. Local authorities decide on the fee parents pay and how the fee system is structured. On average, parents were paying a contribution of just under €150 a month. Children who have yet to start school or pre-school classes for six-year olds can attend regular pre-schools, family day-care homes and open pre-schools while older children have access to leisure-time centres,

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<sup>34</sup> The UK concept of tax credits differs from the term tax credit used in the income tax system in Ireland.



family day-care homes and open leisure-time activities. Against the background of the substantial public day care system outlined above, it is rare to find Swedish employers making childcare provision. Of those identified, two types of scenarios emerged, an employer contracting a local childcare facility and an employer supporting a parents' co-operative and family service.

## **Belgium**

In Belgium, the ever-increasing demand for day-care for infants and after-school care for young children, along with the inability of the public sector to meet the demand has drawn in the private sector. As a result, the federal government now offers fiscal incentives to the business sector to provide childcare facilities and expand the existing capacity. Businesses can opt to establish childcare facilities (*crèches*) either within the workplace or to establish separate facilities. In addition to the expansion of current day-care provision, this policy is also aimed at combating unemployment for low-skilled workers.

## **The Netherlands**

The following assistance is provided to families.

### *Maternity Leave*

There is an entitlement to 16 weeks paid maternity leave, which normally starts six weeks before the estimated date of delivery. The payment is equal to 100% of the mother's daily wage (up to a defined limit). In addition, there is the entitlement to two work days of Birth Leave (it is also referred to as Partner Maternity Leave), which is available to her partner after the birth of a child. If a child is adopted the new parents can receive four weeks paid leave (Adoption Leave). If a child is fostered and it is envisaged that the child will be joining the family permanently, each foster parent is entitled to similar arrangements to adoption leave.

### *Childcare*

The Dutch government encourages employers to participate in childcare provision by contracting childcare places for their employees in subsidised childcare centres. Childcare is seen as a fringe benefit of most collective agreements. In 2002, 58% of collective labour agreements, covering three quarters of employees, provided for some childcare arrangements (workplace nurseries, contracted childcare places, or financial support). Prior to 2005, three different structures for the delivery of childcare were available to working parents in the Netherlands, private, state subsidised and work based places purchased by companies. Private childcare was paid for entirely by the parents themselves who could then claim part of the money back in the form of tax rebate. Subsidised childcare was mainly paid for by the municipalities. Under the third option, companies bought in business places and employees contributed part of the costs from their wages.

The Basic Childcare Provision Act came into force on 1 January 2005 and groups the different types of childcare under one scheme which assumes that parents, employers and government collectively bear the costs of childcare. It is not obligatory for employers to contribute towards the costs of formal childcare. All parents will pay the childcare bill, however, through the tax system they will then receive income-linked monthly compensation worth approximately one third of the cost from the state. The Act assumes that parents will receive further compensation of a third of the costs from their employer. However, employers are not legally obliged to pay this share and, if they fail to do so, the state can provide a second income-linked contribution.

The Act applies to day nursery costs, cost of host parent care (approved childminders who are registered with a host parent agency), and out of school care until the child reaches secondary school age. The Act does not cover playgroup or informal childcare such as care by family or friends. If both parents are in employment and if both employers contribute to a single day nursery placement, each employer is expected to pay one-sixth of the cost. The Dutch government expects that in 2005, 68% of employees will be able to receive a contribution for childcare from their employer with the target increasing to 90% by 2008. If employers contribute less than one-third of the day nursery costs, the parents may be eligible for a "means-tested compensation" from central government. For 2005, families with an income of up to €67,500 per annum (up to one and a half times the median income of €45,000 per annum in 2004) can receive compensation with similar arrangements applying to the self-employed. From 2006, the compensation scheme will be gradually

dismantled and from 2009, only parents with an income of up to €45,000 per annum will retain the right to partial compensation.

The new Act no longer prescribes specific quality requirements in relation to the childcare centre. This allows the sector more room to determine its own regulations in order to ensure that childcare facilities satisfy the legal requirement to provide responsible childcare. Operators must make an inventory of safety and health risks themselves and must be able to demonstrate that they pay attention, among other things, to the number of children per supervisor, the size of the group and the educational background of staff members. The childcare centre operator may only deviate from the advice of the Parents' Committee if s/he provides a written explanation for doing so. It is understood that there are some concerns in the Netherlands that this new arrangement will result in the restriction of access to childcare to those who are in employment and that those who may be in education or training or who may require childcare as a remedial support for dysfunctional families will no longer be able to avail of such services, as these were previously funded by the local authorities.

#### *Special Expenses Allowance*

A person in the Netherlands usually pays tax as an individual. However, some items can be deducted by either partner or shared jointly. "Childcare expenses" is one of the items that is seen as jointly deductible. Therefore, the cost of childcare (in a day nursery or via the service of a childminder agency) can be divided between both partners if 100% of the income and deductible items are declared. From 1 January 2001 the parental contribution for childcare facilities was reduced by the tax system by broadening the Special Expenses Allowance. This serves as the basis for the parental contribution scheme under the Basic Childcare Provision Act. Expenses for the care of children under 13 can be deducted, if:

- the taxpayer has paid employment for which s/he receives more than €3,937 per annum. In the event that the taxpayer has a partner, both have to meet this condition;
- the childcare arrangement has to meet a number of legal requirements;
- a maximum of €8,800 per annum is deductible per child;
- deduction is only possible above a certain income-related threshold.

#### *Personal Deduction*

Residents of the Netherlands are entitled to the personal deduction with a threshold or a fixed deductible amount in place for certain deductible items including:

- expenses for maintenance obligations (alimony);
- living expenses for children up to age 27 ;
- medical expenses and other extraordinary expenses;
- expenses for weekend visits by children with a disability aged 27 and over;
- educational expenses (studying as a hobby does not qualify).

#### *VVE (Early Childhood Education)*

The objective of the VVE policy is to provide disadvantaged children with the best possible development opportunities by reducing their language and other disadvantages on starting school.

#### *Childcare and Out-of-school Care for Single Parents on Benefit scheme (KOA)*

A Childcare and Out-of-school Care for Single Parents on Benefit scheme is available. In addition, under the Financing of Childcare for the Unemployed and Incapacitated Act in force since July 2001, job-seekers receiving unemployment or incapacity benefit and seeking to return to the labour market can receive funding for childcare. In certain cases, a subsidy for a 12 month period is available for the costs of childcare to an employer who employs a person entitled to benefits. The Dutch Benefits Agency has the responsibility for financing the "employer share" for benefit claimants, people seeking to return to work and people using childcare on social and/or medical grounds. Some target groups are also entitled to the financing for childcare in order to ensure that they can participate in "obligatory settling-in programmes, language courses, or preparation for the job market".

### *Short Term Care Leave*

This is a conditional entitlement of up to ten days leave per year which may be taken to care for a sick child living at home. Short Term Care Leave is partially paid leave and may also be taken in respect of a sick partner or parent. An employer may refuse this leave if the damage that could be incurred by granting the leave would be against the interests of his or her business. Once this leave has commenced an employer can not cancel it.

### *Parental Leave*

Provided that the parents have worked for their employers for at least one year, each parent has a right to take unpaid Parental Leave on a part-time basis for a continuous period of up to six months to care for a child aged under eight years. If an employer agrees, it is possible to break up the leave into three shorter periods. If there is a multiple birth, the entitlement exists in relation to each child.

## **New Zealand**

New Zealand has a number of ways of assisting families with children.

### *The Parental Tax Credit*

This is paid for the first 56 days of a baby's life and can be paid in a lump sum or by four fortnightly payments to the principal child carer. The payment is dependent on the total family income being less than set limits for the number of children in a family. It is not payable where a family, for the eight weeks in question, receives an income tested benefit, New Zealand Superannuation or Veteran's Pension, a student allowance, or a weekly accident compensation payment. If certain criteria are met, expectant mothers and adoptive parents can receive Paid Parental Leave payments when they take parental leave from a job to care for a new child. However, no parent may receive both the Paid Parental Leave and Parental Tax Credit for the same child. For most people Paid Parental Leave payments will be more beneficial than the Parental Tax Credit.

### *Family Support*

This is a fortnightly payment which is paid to low income families for each child who is living at home and aged 18 years or younger. The payment varies depending on the level of family income under certain limits and the number of children in a family. An increase of €8.50 was paid in 2004 in respect of children aged 13 to 15 years. If the eldest child was aged 16-18 years, an increase of €13.90 was payable, with an additional €29.90 payable if any other child was aged 16-18 years. It can be paid either by the New Zealand Department of Work and Income (if the family receives an income tested benefit) or by the Inland Revenue.

### *The Child Tax Credit*

This is an extra payment to low and middle income families who receive no other government assistance. If a parent is receiving a benefit from the state he or she is not eligible to claim the Child Tax Credit; this is the case even if the parent is working part-time. The maximum rate of the Child Tax Credit is €416 a year (€8 a week) for each dependent child aged 18 years or under. It is paid directly into the bank account of the principal child carer every fortnight, or as a lump sum after the end of the tax year (1 April to 31 March).

### *The Family Tax Credit*

This is an additional payment for families who do not have large incomes which is payable into the bank account of the principal child carer every fortnight, or as a lump sum after the end of the tax year. It is designed to bring a family's income up to at least €9,806 a year (€153 per week after tax). At least one parent in the family must be employed. A family is not eligible for this credit if a parent is self employed, is employed by a partner, holds at least 10% of a company, or if s/he receives New Zealand Superannuation or a student allowance. Another eligibility criterion is that a parent in a single parent family must be working at least 20 hours per week and, in a two parent family, a parent or combination of parents working at least 30 hours per week. As long as a parent is receiving a benefit from the state s/he is not eligible to receive the Family Tax Credit.

### *The Childcare Subsidy Programme*

The Childcare Subsidy Programme provides financial assistance to low and medium income families with dependent children under the age of five (or under 6 if the child has a disability) to obtain access to childcare

services. A child must attend a licensed early childhood centre (this includes certain home-based care services) for at least 3 hours per week. It is possible to get a maximum of 9 hours of childcare a week if the child's other care giver can care for them. In some cases it is possible to receive a subsidy in respect of childcare up to a maximum of 50 hours per week if a parent is working, shift working, studying, attending an approved training course, or ill or if the parent is receiving Child Disability Allowance. The payment is made directly to the service. As of 4 October 2004 the following rates applied:

No of children in a family	Family's weekly income before tax	A subsidy of up to per hour, per child
1	Less than €411	€1.52
	€411 to €453.80	€1.06
	€453.81 to €496.50	€0.59
	Above €496.51	No subsidy
2	Less than €507	€1.52
	€507 to €555.23	€1.06
	€555.24 to €603.28	€0.59
	€603.28 or more	No subsidy
3 or more	Less than €592.60	€1.52
	€592.60 to €651.32	€1.06
	€651.33 to €709.99	€0.59
	€710 or more	No subsidy

#### The OSCAR Subsidy Programme

The Out of School Care and Recreational Subsidy Programme helps low to middle income families to pay for before and after school programmes (minimum of 3 hours and a maximum of 20 hours per week) and school holiday programmes (minimum of 3 hours and maximum of 50 hours a week) for children aged 5 to 13 inclusive. In order for a parent to receive the subsidy s/he must have paid work, work night shifts, is training or doing a work related activity. A parent will not qualify if his/her partner can take care of the child. The payment is made directly to the service provider.

#### Parental Leave

The New Zealand Parental Leave and Employment Protection Act 1987 provides for unpaid leave from work for birth mothers and their partners/spouses either on the birth of a child, or the adoption of a child under 5 years. Eligible employees may also be entitled to up to 13 weeks paid parental leave (increased to 13 weeks on 1 December 2004 and to further increase to 14 weeks in December 2005) which is taxpayer funded. The payment can be taken by one parent or shared between two eligible partners. The mother may transfer some or all of her entitlement to payment to her spouse (husband or de facto partner, including same sex partner), if s/he is also an employee, is taking parental leave and meets the eligibility criteria for parental leave.

#### United States

The United States do not have a publicly funded childcare system in place to support parents in employment and it is a matter for parents to meet childcare costs. However, both employers and the government, aware of the effects of ever-increasing costs, have designed a number of innovative childcare initiatives to try and reduce the cost burden. In the past five years, major corporations in the United States have invested more than €286 million in childcare initiatives. These funds have been used primarily to help start new childcare centres, recruit new family childcare homes and improve the quality of childcare services. Additionally, many employers have established dependent care assistance plans that reduce the cost of childcare by reducing employees' tax burden. Many have also expanded the availability of flexible work arrangements such as flexi-time, part-time, job sharing and telecommuting, although few subsidise the recurring weekly cost of childcare for their employees.

The following paragraphs outline some of these workplace focused initiatives:

*The Con Agra Childcare Initiative*

Con Agra Refrigerated Foods established an employer – supported childcare initiative tailored to the needs of workers who earn between €4.90 and €5.70 per hour, do shift work and live in rural areas where regulated childcare is scarce. This initiative serves 75 children of Con Agra employees as well as children from the surrounding community.

In order to meet the childcare needs of its employees, Con Agra established partnerships with childcare agencies in three communities and assisted these agencies to expand the early childhood programmes that they currently run to include full-time childcare for children from infancy to school age. Con Agra makes a contribution for initial start-up costs of the centres, typically between €10,500 and €40,800 and also pays a portion of the weekly cost of care for each of its employees. This accumulates to over €163,000 per year. Also, the employee's portion of the cost of care is deducted from his or her pay cheque and placed in a pre-tax dependent care assistance plan (DCAP).

*The Levi Strauss & Company Child Care Initiative*

LS&CO has developed a childcare initiative that encompasses three components:

- the provision of vouchers of up to 50 percent of the price of their childcare, capped at €82 per month per child, to help families pay for childcare;
- a childcare resource and referral service to help families find and evaluate care (often including on-site seminars on choosing childcare);
- a charitable giving programme, the LS&CO Childcare Fund, which provides grants to help improve the quality and expand the supply of childcare in communities where LS&CO employees work. It provides funds for training, planning and partnership, infant care, before and after-school, pre-school, summer and vacation, and resource and referral programmes.

*The American Business Collaboration for Quality Dependent Care*

The American Business Collaboration for Quality Dependent Care (ABC) comprises of twenty-one major US national and international corporations and also includes more than 100 regional and local businesses in specific initiatives. ABC was formed in response to key labour force changes brought about by the increasing number of women and dual earners' families in the labour force and the increasing care giving responsibilities of employees. From 1992 to 1994, the ABC invested over €22 million in a range of child and elder care services and programmes, and from 1995 to 2000 was committed to investing €82 million in targeted communities around the country. Fifty per cent of ABC funds are used to support early childhood childcare facilities. Childcare centres, family childcare and school-age care services have all been funded. ABC funds are for start-up expenses, not the ongoing expenses of operating a programme. They are one-time efforts that expand or improve services, such as facility construction or renovation to accommodate a programme for infants and toddlers.

*Houston Area Network for Dependent Services (Corporate H.A.N.D.S.)*

Corporate H.A.N.D.S. is a collaboration of 30 companies in the Houston area of Texas who pool their resources to support investment in dependent care services. These companies work together to identify the dependent care needs of their employees and the community around them. Specific projects are then developed to help meet those needs. H.A.N.D.S. seeks to enhance the productivity of participating businesses and strengthen the childcare and education programmes in the community at large. Families who are employed by corporate members nominate programmes or projects. Initiatives for Children, a Houston- area childcare resources and referral agency, selects childcare projects and administers funds.

*The 1199/Employer Child Care Fund*

This New York City based fund includes contributions, set aside as part of the collective bargaining process, from 147 employers. The funds are used to help meet the childcare needs of employees who are members of Local 1199, the National Health and Human Services Employees Union. The fund supports seven initiatives, which include: one on-site centre; contracts with community-based childcare centres and family care homes;



vouchers that reimburse up to €62 per week for childcare provided in a wide range of formal and informal childcare settings; contracts with more than 100 summer camps in the metropolitan area; contracts with programmes offering care during school holidays; childcare resource and referral services; and a weekend cultural arts programme for children and teens interested in dance music, art, tutoring and physical education.

#### *Public Private Partnerships in USA*

Public private partnerships are an increasingly viable and popular strategy for improving supports and services in many areas, including childcare. Across America innovative efforts are under way to form productive public- private partnerships to improve childcare. A public- private partnership is defined broadly as a partnership that exists when the public sector (federal, state and local officials or agencies) joins with the private sector (families, employers, philanthropy, media, civic groups and service providers) to attain a shared goal. An example of such a partnership is Smart Start, a partnership for quality childcare.

#### *Smart Start, a Partnership for Quality Childcare*

Smart Start was created as a pilot project in 1993 as a public private partnership to give families and communities the tools to increase access to affordable, quality childcare. The project is administered by a non-profit umbrella organisation, the North Carolina Partnership for Children. While the state provides direction and support, the county-level partnerships team up with for-profit companies/organisations to assess and provide for the childcare needs of all families. Over 40,000 new childcare spaces have been created since 1993, through both new construction and improvement of facilities, and quality of care has been increased substantially. Its guidelines require that 30 percent of funding is earmarked to help children who live in poverty and counties have also raised the eligibility limits for families receiving subsidies, from a threshold of €1,225 per month for an eligible family of four in 1993, to one of €2,650 per month in 2004. More than 50,000 families who could not afford to pay the full cost of care are now receiving subsidies. Smart Start has also been able to lower overall costs to the government and the public by at least 10 percent, through actively soliciting contributions from businesses and volunteers. Local Partnerships are required to raise €1 in cash for every €10 they receive from the state fund. Corporate sponsors and others have contributed more than €40 million since the programme's beginning. For the first time, in 2004 Smart Start received full funding for all 100 companies in North Carolina.







