



A pre-budget submission

Senator Shane Ross

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Summary of Proposals

- A significant increase in Child Benefit
- Free one-year pre-school places for all
- Extended maternity leave with financial assistance from large employers
- Regulation of, and tax relief for, a community-based approach
- Support for family-friendly business practices
- Tax relief for crèche and childminder service providers
- Creation of a Minister for Children at Cabinet level, with a dedicated budget for children with special needs
- Childcare crisis is directly linked to the problems of property prices and commuting faced by young parents

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Introduction

I propose that the Minister for Finance provide far greater resources to childcare in the next Budget, in an effort to provide real choices for parents about how best to care for their children based on their own unique circumstances.

Accordingly, while I urge the Government to tackle the huge childcare costs faced by parents who join the workforce, I also insist that tangible recognition be given to those parents who stay at home to care for their children.

This conflict – between having more time with one’s children but less money, and having more money to support one’s children but less time – cannot necessarily be resolved by legislation. What can be tackled is the issue of choice, with measures implemented to give people more time if they are suffering from the time deficit, or more money if they are at a loss in that respect.

This submission is the result of extensive consultation with my constituents, for many of who childcare is a huge difficulty. It is clear that there is no one-size-fits-all solution to the problem. Rather, a multiplicity of approaches must be pursued in an attempt to attain the best possible outcome for all. Above all, however, the Budget must consider the primacy of the child and the desire of all parents to maximise the benefits for their children.

Proposal 1

A significant increase in Child Benefit

Parents should be free to choose what childcare they want for their children and should not be forced either into the workplace or into staying at home because of financial restrictions. A meaningful increase in Child Benefit would enable parents to have such a choice.

Moreover, such an increase would go some way toward recognising the increasing cost of childcare for *all* parents, whether it accrues from loss of potential salary or the fees of crèches and paid childminders for working parents. Parents can themselves choose how best to spend this money.

Proposal 2

Free one-year pre-school places for all

Government funding for one year for a child to attend pre-school would benefit every parent, whether in the workplace or in the home and, more importantly, all children – particularly those from disadvantaged backgrounds.

The European Youth Pact, adopted by the European Council in March of this year, calls on member states to aid in “promoting the reconciliation of working life and family life by sharing the responsibility between partners, particularly by expanding the child care network and developing innovative forms of work organisation [and] considering child-friendly policies, in the light of...demographic change” (i.e. Europe’s ageing population). The Government should respond to this by quantifying objectives and set clear targets in its national programme for implementation. A free year of pre-school would be a move in the right direction.

Use of schools as childcare facilities

A sensible use of resources would be to use schools, which are available to us now, as childcare facilities. The Department of Education and Science could train and appoint

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appropriate personnel to run the service scheme at little extra cost to the taxpayer. Many parents would gladly pay the fees for such an after-school service, while subsidies could be provided for those on lower incomes.

The use of these premises would cut down on infrastructure and transport costs, and the result would be a more affordable, structured, and easily monitored service.

Grants could also be provided to resource and employ qualified personnel to staff community centres with crèches. The capital costs would be low, and this would have the added benefit of utilising facilities during the day and so bringing a sense of vibrancy to local communities

Proposal 3

Extended maternity leave

Maternity leave should be extended to 26 weeks, something that has been proposed by the National Women's Council of Ireland for some time.

Such an extension would better allow mothers to "exclusively breastfeed for the first six months", as recommended by the Department of Health and Children. Research by the World Health Organisation has long shown that breast-feeding has a hugely positive impact on babies' short- and long-term health. Indeed, to take the long-term view, overall future savings to the health system may balance any extra expense to the economy incurred through extended maternity leave.

Extended maternity leave is also a women's health issue, as it would serve to lessen the stress and exhaustion felt by all mothers in the months after giving birth. The Government must also extend the amount of time a woman is currently supported in hospital after giving birth. Three days is simply not sufficient for this vital period of rest and adjustment.

Financial assistance from large employers

As no employer is currently obliged to pay an employee over and above the state benefit, simply extending maternity leave could actually increase the financial burden for some parents. It should be made mandatory, therefore, for companies over a certain size to supplement the benefit, just as state and semi-state bodies currently do.

Parental leave

While some employers (including state and semi-state bodies) do offer limited parental leave, there is currently no statutory obligation for them to do so. The absence of such regulation suggests that culturally, we are still working on the outdated supposition that the sole responsibility for care of newborns lies with women.

There must be some flexibility as regards the form in which such parental leave might be taken. Instead of employers insisting it be taken as one block, this could be at the discretion of the employee.

If the Government is serious about enabling parents to reconcile employment and their caring responsibilities, it needs to support effective family-friendly arrangements. A payment for parental leave would represent a real step forward, and would bring Ireland into line with other nations.

In the UK, in the recent Work and Families Bill, paid maternity leave has been extended to nine months, and fathers are entitled to extra paternity leave if their partner returns to work

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after six months. Other changes include a facility for those receiving state maternity benefit to return to work for 'keeping in touch days' without loss of benefit.

Proposal 4

Support for a community-based approach

Community-based models can often serve to complement the more 'top down' approaches taken by Government.

The introduction of a tax break for those who opt to mind other people's children in their own home could bring them into the fold without loss of income. Such childminders would be screened and required to have basic training before being registered and receiving state funding in the form of courses, equipment and resources.

This approach might be particularly attractive to women who, having reared their own children, might be encouraged back into the workforce. By encouraging more mothers to become childminders, this would not only help support parents who choose to make the financial sacrifice of staying at home but also increase the supply of quality childcare workers and therefore drive down the price.

Such a system would allow for women who choose to be in their homes to mind a limited number of other children (for example, one infant and four toddlers) that live on their street or close by for an affordable set fee per hour. Both the parent and childminder could claim tax allowance at the end of each tax year. Certain standards could be set (decent home, safe environment, etc) and the system monitored. The many advantages of this system include: bringing currently unregulated childminders into the fold; offering parents the choice of a mother-and-home environment for their children; greater affordability; and a local solution negating the need for a lengthy commute.

A community-based model is evident in the success of such endeavours as the 'Educate Together' school system. More funding should be provided to such groups.

Childcare regulation

It is important that childcare regulation be solely in the interest of the child (dealing with safety issues, for example) and not act as a burden on providers and so stifle the industry.

Requiring providers to have a formal qualification could be detrimental in that it would put undue pressure on many childminders who might just decide that it was easier to discontinue the service than undertake a training course for a job that they already do very well. So while regulation is necessary, it must not push small operations out of the market.

Pension funding

Stay-at-home parents are currently being penalised unfairly with respect to pension funding, as they are not eligible for tax relief on pension contributions. This issue is likely to affect women more often than men and serves to further disadvantage women in the workplace, who tend to be lower paid and have more interrupted career paths than their male counterparts.

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Proposal 5

Support for family-friendly business practices

The Government must persuade employers, who are often hostile to flexible work practices, of the advantages to part-time working and support for child-friendly policies.

It is important to clearly distinguish between small and large employers: the former often simply cannot afford to provide the same facilities as the latter.

Flexible working arrangements

If employers want to keep both mothers and fathers in the workforce they need to adopt more flexible working practices. Options that are available in the public sector – such as job-sharing, flexi-time, term-time, etc – give parents a better opportunity to achieve the much sought-after ‘work/life balance’.

Companies should be encouraged to provide more flexibility, providing objectives are consistently met. Indeed, this could result in higher rates of productivity, with lower rates of absenteeism and reduced employee stress levels.

A greater focus on return-to-work programmes is also needed.

Crèche facilities in work

Large companies should be required to provide childcare facilities (and the requisite trained personnel) for their employees. If this is not practicable, the company might search for a sister company in the vicinity to provide facilities for both companies. Tax breaks could be provided for the necessary refurbishment of company premises. The Government could also require developers to construct crèche facilities in new offices by way of a planning condition attached by the local authority.

Companies incentivised to provide such facilities might then see the benefits – in terms of reduced absenteeism and increased productivity from parents who have their children at work. Those companies that currently offer childcare services already have an advantage in that they are more likely to attract a broader range of employees and keep their employees once they start having families. Moreover, in negating the need for additional car trips, this could also help reduce traffic congestion.

As regards small businesses, the Government could provide them with some form of tax breaks. We do not have to treat all businesses in the same way on this issue. Various thresholds can be put in place, for example, with big business having to provide a certain level of facilities and small businesses receiving tax allowances.

Additionally, crèche fees could be treated in the same way as pension contributions and so reduce parents’ tax liability.

Proposal 6

Increasing the quality and quantity of current crèche options

Childcare is unlike most other services. If management significantly increases the fees, it is not simply a matter of moving the child as they have become settled with the routine and their friends.

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The problems associated with the current crèche system arise from the combination of increasing demand and limited supply. Tax incentives for those investing in such facilities would help alleviate the shortages, and so bring about greater competition, and with it lower prices and higher standards.

There needs to be a greater provision for flexible, part-time arrangements among crèche operators. Many refuse to take children part-time, and of those that do, many have their own set part-time hours and do not work or charge flexibly around the parents' working hours. Part-time childcare is also often proportionately much more expensive than full-time.

A note on price inflation

The possibility exists that automatic funding for childcare might have an inflationary effect on price (as operators absorb the increased ability to pay) and hence negate any reduction in cost to parents.

While price controls and a monitoring system could certainly be introduced, the real issue here is one of encouraging supply and so increasing competition over price.

To help do this a system of grants could be established as an enticement to set up and operate a childcare business. These grants could be made available equally to existing and new establishments – the ultimate aim being to increase supply and therefore encourage operators to keep some control over prices.

Moreover, the inflationary effect itself would, in the medium to long term, make childcare a more attractive business proposition and hence result in new entrants, higher standards, and greater competition. Choice would then lie with parents, and who better to determine whether a childcare operator was up to standard? Given this choice, parents would vote with their feet.

Proposal 7

The creation of a Minister for Children at Cabinet level

There needs to be one Minister at cabinet level responsible for the area of early childhood care and education. Among other things, this Minister for Children (or Children and Families) would oversee infant and child nutrition, health, education, and care. Currently these responsibilities fall within the remit of four government departments.

Greater imagination is required, and we should not shy from attempting to learn from the successes (and failures) of other countries tackling similar childcare issues. The Government could choose to use free childcare strategically. For example, it might entice Irish nurses back to work by providing them with free childcare

Children with special needs

The Government must pay particular attention to childcare for children with special needs, where even more support and even greater resources are required.

I propose the creation of a separate budget to provide for special needs care, and the formation of a ministerial task force with the powers to identify and provide for the educational needs of these children.

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Proposal 8

The associated problems of property prices and commuting times

The options for many parents have been limited both by the size of their mortgages and the distances they are forced to commute. When young parents have to house themselves in competition with investors and speculators, they are often able to buy only in outlying areas, where they are far removed from the support of the extended family, especially grandparents, in the raising of their families.

Any proposal should be part of an overall plan to shorten the amount of time working parents have to spend away from their children. Hence, transport and decentralisation issues are part of the overall picture.

There is also a need to recognise the value of parkland, playgrounds and sporting facilities not only as amenities, but also as means to meet other parents with children and so help in building a sense of community.

Conclusion

Government neglect of childcare has led to the situation we face today: parents who join the workforce often feel that they are not being fully supported, while those that choose to care for their children at home often feel their contribution goes unrecognised.

Because every parent's situation is different, we must pursue a multiplicity of approaches in our attempt to attain the best possible outcome for all. I look forward to a Budget that recognises this, and tackles the problems the problems facing young parents today.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Shane Ross'.

Senator Shane Ross