

Time to make

childcare affordable



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## MAKING CHILDCARE AFFORDABLE

Budget 2018 comes at a time of great financial pressures on families. In particular, young families in Ireland are facing some of the highest childcare costs in the world.

While Fine Gael and Fianna Fáil talk about tax cuts which will disproportionately benefit the well-off in society, Sinn Féin has a different vision. We want an Early Years Sector which we can be proud of. We believe childcare is a public service, and to that end we want reliable, high quality and affordable childcare available to all.

We believe investment in childcare is far more beneficial than the extra euro or two a week in a person's pocket proposed by Fianna Fáil and Fine Gael.

High-quality and affordable childcare is not only socially and academically beneficial to the child, it is benefits wider society and the economy, it allows parents, especially women, to return to the labour force and steer clear of potential poverty traps and it provides employment to the many valuable workers in the childcare sector.

Sinn Féin has very clearly chosen a side in this Budget – and that is the side of ordinary families.

## IRISH FAMILIES PAY THE SECOND-HIGHEST CHILDCARE FEES IN EUROPE

Ireland has one of the highest costs of childcare in the world. The reason for this can be laid squarely at the feet of successive governments who completely failed to adequately invest in the early years sector.

Two-parent families in Ireland with two children under the age of five pay on average between 25% to 34% of take-home pay on childcare. This is twice the European average. For one-parent families, it's even more. Following a 20-country study, the OECD concluded that the best way to achieve affordability and quality in the childcare sector at the same time is via subsidised childcare.

Sinn Féin recognises the pressures facing young families and is committed to providing high-quality, affordable childcare throughout the state. This is not something that can be achieved overnight. It will take continued investment in the early years sector in order to reduce the cost to parents, improve quality standards and arrive at a childcare regime which we can be proud of.

## WHAT WOULD SINN FÉIN DO?

A key component of Sinn Féin's Alternative Budget for 2018 is to increase the Universal Childcare Subsidy (UCS) from its current rate of €0.50 per-hour to €2.50 per-hour.

Since September 2017 the UCS has been available to all children in Tusla-registered childcare who are above the age of six months but below the age for beginning the ECCE scheme.

The subsidy is paid directly to participating childcare providers and should be deducted from the monthly crèche bill.

Unlike targeted subsidies based on parents' incomes, the non-means tested UCS subsidy is available for all children in Tusla registered childcare centres who are more than 6 months old but below three years – at which point they can start the free Early Childhood Care and Education Scheme (ECCE).

This is only a building block. Sinn Féin would continue to increase and expand investment into the early years sector and reduce costs to parents year upon year.

## WHAT WOULD THIS MEAN FOR FAMILIES?

A study by Pobal and the Department of Children and Youth Affairs showed that the average cost of full-time childcare per-week in the State for a single child in 2016 was €167.03. Families currently receive a 50 cent per hour, or €20 per-week if full-time, Universal Childcare Subsidy.

Under Sinn Féin's plan this subsidy would increase to €100 per week. With savings passed on to parents this should more than halve the average cost of full-time childcare for under-3s.

## EXAMPLES

- Currently, a couple living in Dublin City – which has one of the highest childcare costs in the state – with a two-year old child would face a monthly childcare bill of €787.50. Under the Government's current system, that family is entitled to a subsidy of €84 per month based on an average 21 working day month. Leaving them with a total bill of €703.50
- Under Sinn Féin's plan, that same family would be entitled to a subsidy of €420, leaving them with a total childcare bill of €367.50
- A similar family in Monaghan, where childcare costs average €597 per

month, would see their monthly Bill reduced to just €177 per-month.

- Therefore, the state-wide average cost of full-time childcare per-month, per-child, which stands at €701.53 would be reduced to €281.53.

## MANY CHILDCARE PROVIDERS ARE OPERATING ON A BREAKEVEN BASIS

There has been much media discussion surrounding childcare providers and whether or not they have passed Government subsidies on to families. Childcare providers are by and large – whether urban or rural-based, and whether private or community – operating on a breakeven basis. For example, the average community-based childcare centre in an urban area had an end of year reserve of just €5,826.

This creates a real barrier when it comes to re-investment in areas such as building improvements, replacing of equipment and general maintenance. Despite this, a survey by Early Childhood Ireland indicated that 79% of childcare providers would not increase fees for the year beginning September 2017.

Sinn Féin are acutely cognisant of the cost pressures faced by childcare providers. For that reason, in addition to our proposed increase to the Universal Childcare Subsidy, our Alternative Budget for 2018 includes a package of further measures aimed at tackling these cost pressures including increased payments for non-contact time, a bigger Sustainability Fund for community providers and a new fund to enable pay increases for childcare workers.







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