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Opening Statement by Mr. Jim Breslin

Secretary General of the Department of Children and Youth Affairs

to the Committee of Public Accounts

on the 2010 Appropriation Accounts of the Office of the Minister for Children and Youth Affairs

Thursday 24th November 2011

Introduction

I am happy to be here today to assist the Committee in its examination of the 2010 Appropriation Accounts for Vote 41. This is the Vote of the former Office of the Minister for Children and Youth Affairs whose functions have now been subsumed into the new Department of Children and Youth Affairs.

I am also pleased to address any issues arising in relation to Chapter 49 of the report which examined Childcare Facilities, specifically the National Childcare Investment Programme.

In June of this year, responsibility for the National Education Welfare Board (NEWB) transferred into the new Department of Children and Youth Affairs from the Department of Education and Skills. Ms. Clare Ryan, Chief Executive Officer of the Board, is here today to address issues relating to the Chapter on Monitoring School Attendance. I will also be happy to assist the Committee in its consideration of these matters.

Expenditure Programmes Under Vote 41

In 2010 Vote 41 had a total gross allocation of €360.308 million. Some of the key areas of expenditure in 2010 included the following:

The free Pre-School Year under the Early Childhood Care and Education (ECCE) programme was introduced in January 2010. A sum of €154 million was spent on this programme last year. Some 94% of eligible children are participating in the free pre-school year. All children now have access to the benefits of early education and quality preparation for school and life-long learning. The successful introduction of a free pre-school year last year, at a time more generally of expenditure curtailment, was based upon recognition of the social and economic benefits of quality pre-school education for all children.

In 2010, €97 million was spent on the National Childcare Investment Programme (NCIP). Some €52 million of this was spent on the Community Childcare Subvention Scheme to subvent the childcare costs of disadvantaged and low income parents.

A new programme, the Childcare Education and Training Support (CETS) programme, was introduced in September 2010, to provide free childcare places to qualifying FAS and VEC trainees. Almost €8 million was spent on this programme in 2010. The programme represents a rationalisation of previous arrangements for childcare support offered by training authorities.

In 2010, €46.6 million was spent on youth programmes. While some of the programmes have a universal focus, over €30 million of the funding was spent on programmes for disadvantaged and at risk young people.

In addition, €26.75 million was spent by the OMCYA on a range of programmes under the National Children's Strategy. These include early intervention programmes for children as well as the National Longitudinal Study of Children and programmes which support the Voice of the Child and participation by children and young people.

Chapter 49 – Childcare Facilities

I would also like to refer to Chapter 49 of the Comptroller and Auditor General's 2010 Annual Report on Childcare Facilities.

Support for the provision of childcare facilities originated during the years of economic progress, when growth within the labour market placed considerable pressure on available preschool places. At the start of this period there was considerable under development in the capacity and quality of the preschool sector. In 1999/2000 it was found that over 13,000 children were on waiting lists for childcare facilities, representing 23% of those already attending. The waiting list for children under 1 year of age was 75% of those attending. Consequently, parents faced considerable difficulties in securing a preschool place while others had no choice but to travel significant distances. The demographic and economic outlook meant this situation would continue to worsen without action being taken.

The Department of Justice, Equality and Law Reform secured EU funding to develop a childcare infrastructure in Ireland as an equality for women measure.

This led to the first major investment programme under the Equal Opportunities Childcare Investment Programme - the EOCP. Some 40,000 places were created under the EOCP programme between 2000 and 2007.

As the EOCP was nearing its conclusion, the demand for childcare was continuing to increase and, in response, the National Childcare Investment Programme was announced in Budget 2006 and a commitment was given in the Partnership Agreement, Towards 2016, to create a further 50,000 childcare places under the programme.

While I have emphasised the economic rationale for the State's investment in childcare infrastructure over this period, it would be wrong to overlook the major contribution which preschool services make to child development and social policy goals. There is now very strong evidence showing that investment in the education of children has the highest rate of return when targeted at the earliest levels of education. Studies of early intervention programmes show that the personal benefits (e.g. literacy, educational attainment and lifelong earnings), social benefits (e.g. reduced delinquency and crime) and government savings (e.g. higher tax revenues and reduced social welfare spending) associated with early interventions significantly outweigh the costs.

The approach taken, under both the EOCP and NCIP, to encourage the provision of necessary childcare facilities was to stimulate the market through State investment. The commercial sector invested heavily in facilities. Under the National Childcare Investment Programme commercial operators were required to provide 25% in matching funding and were limited to grants of €100,000 or under. In practice, their investment was considerably higher since larger scale facilities would have obtained the majority of their funding from private sources.

Community not-for-profit groups were also encouraged under both programmes to develop childcare facilities, in particular in disadvantaged and rural areas where commercial investors were less likely to invest.

The demand for childcare has declined dramatically over the last three years or so. Take-up of childcare places has been affected by reductions in disposable income and, particularly, by the downturn in employment. The number of females in empoyment fell by 83,100 over the three years from March 2008 to March 2011. Over the same period there are an additional 90,100 males and females with children who are now unemployed.

From early 2008, the OMCYA recognised the potential implications of the recession for demand for childcare and ceased approving further capital projects. Whereas the National Childcare Investment Programme was originally planned to provide €357m in capital and generate 50,000 places, its curtailment has seen approximately €180 million spent and approximately 25,000 places created.

In order to further protect the existing infrastructure, and in line with wider social and economic policy goals, the OMCYA also secured the introduction of a number of new childcare programmes, as highlighted earlier. Exisiting financial supports to parents and providers have been reshaped so as to directly support the provision of quality preschool education. As outlined earlier, the ECCE programme, for example, provides 66,000 children with a free year of pre-school education. This programme would not have been possible without the development of a network of locally based preschool facilities over the preceding years.

Looking beyond the current recession, adequate child care provision remains key to bringing women into the labour market by means of training and employment. Choice for parents regarding child care options and quality childcare provision to support children's development remain key policy goals. Improvement in employment and income levels as we recover from the recession are likely to see further take-up of the facilities that have been developed through both private and public investment.

Conclusion

I hope this statement is of assistance to the Committee.