

Select Committee on Children and Youth Affairs

Supplementary Estimate 2018 - Department of Children and Youth Affairs Vote

Opening Remarks by the Minister for Children and Youth Affairs

Chairman,

I want to thank the Committee for making time available today to consider the Supplementary Estimate for the Children and Youth Affairs Vote. The Supplementary Estimate is required in respect of *Subhead B4 General Childcare Programmes*. This subhead provides funding to subsidise the childcare costs of low and middle income parents and those accessing education and training programmes.

An additional €47.33 million is required in order to meet additional demand by parents for subsidised childcare costs as a direct result of this Government's commitment to assisting parents to access affordable and quality childcare. This commitment led to what is now called the ***September Measures***. We have seen significant additional demand for childcare places as a result. I will revert to these measures again in a few moments.

The Committee should note that it is projected that there will be an under-spend of at least €27 million across other areas of the Vote. This includes €15 million in once-off savings arising from changes [made to](#) the ECCE payment calendar. This reduces the net additional exchequer funding requirement to €23 million.

I would now like to expand on the reasons that the additional Exchequer funding for childcare is required this year. The General Childcare Programme provides funding for the Community Childcare Subvention, the Training and Employment Childcare Schemes, the Learner Fund, funding for County Childcare Committees and National Voluntary Childcare Organisations and the Sólta and Aistear supports. In addition, it provides for capital funding for the Early Years and School Age Capital Programmes. Another important element of this subhead is the provision for development costs associated with the introduction of the Affordable Childcare Scheme in 2019.

The Community Childcare Subvention, or CCS, programme is a demand led scheme. There has been a notable increase in demand following an extensive communications and media campaign to inform parents and providers of improvements to the scheme in advance of the introduction of the new Affordable Childcare Scheme. These improvements were introduced in September 2017 and included the introduction of a universal payment and an increase in subsidy rates across the different strands of the Community Childcare Subvention (CCS) and the Training and Employment Childcare (TEC) Schemes.

These changes represent a major step towards accessible affordable quality childcare following decades of under-investment in our childcare and early years sector. Ireland is reported as the most expensive country in the OECD for childcare for lone parents and the second most expensive for couples. According to OECD research in 2016, Ireland spends just 0.5% of Gross Domestic Product in on early learning and care and education, including expenditure on under six year olds in primary school, as opposed to an OECD average of 0.7%.

The ***September Measures*** include:

1. A new (non-means tested) universal subsidy is available for all children aged between 6 months and 3 years of age (or until they qualify for ECCE) in registered childcare. This amounts to as much as €20 a week or €1,040 per year for children in full time childcare.
2. Enhanced supports of up to €7,500 per eligible child per year to assist families to return to employment and/or training and education.

These changes have been highly successful in bringing subsidised childcare supports to the parents of some 13,000 additional children than originally provided for in Budget 2018. This accounts for €29 million of the additional funding required in 2018.

In addition, there has been a noticeable change to the 'mix' or composition of the qualifying rates parents are entitled to with more parents qualifying for the higher Band A rate. In addition, we have seen an increase in parents availing of longer hours for childcare. This accounts for some €19 million of the additional funding required.

These initiatives are leading to positive change for parents and children and when measured in tandem with other childcare initiatives such as the second year of ECCE and the introduction of the Affordable Childcare Scheme in November 2019, should see some improvement in Ireland's position when measured against the OECD average.

The remaining portion of the required supplementary estimate is of a technical nature. The reduced intake of receipts into the Department's Vote is to be offset against a corresponding reduction in expenditure on Subhead B8 relating to the Intervention Programme for Children and Subhead B9 relating to the Programme for Peace and Reconciliation.

In conclusion, I recommend the supplementary estimate for the Children and Youth Affairs Vote to the Committee and I am happy to address any questions you may have.