



2017 Federal Budget Submission

August 5, 2016

The Child Care Advocacy Association of Canada (CCAAC) welcomes this opportunity to share our federal budget priorities with the House of Commons Standing Committee on Finance, and with Canadians.

Our priorities reflect government commitments in the 2015 election platform and Budget 2016, which declared that “high-quality, affordable child care is more than a convenience—it’s a necessity.” The platform and budget made a commitment to work with provinces, territories, and Indigenous communities to establish a National Framework on Early Learning and Child Care, and the budget identified funds for child care for 2017/18.

We have already communicated with government about our goals: a robust, evidence-based early learning and child care framework, and we have cautioned against transferring federal funds to provinces/territories merely to bolster the current patchwork approach.

Fulfilling election promises and achieving the broadly-shared goal of universal, high quality, affordable child care across Canada will require both a solid policy framework and sustained financial commitment from the federal government.

We are asking the federal government to deliver funding through two dedicated streams under specified policy conditions:

- Funding to empower and resource Indigenous communities to design, deliver, and govern services that meet their needs and aspirations, consistent with recommendations from the Truth and Reconciliation Commission;
- Federal transfers to provinces and territories that commit to system-building within a collaboratively developed, Canada-wide ECEC¹ policy framework based on the principles of universality, high quality and comprehensiveness.

The funds already allocated for child care for 2017/2018 (in the 2016 federal budget) should be treated as a first step because building a universal, high quality, comprehensive ECEC system requires a long-term, sustained financial commitment from the Government of Canada—one that increases over time as the system grows.



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In the short term (the next three fiscal years), **we recommend that the federal government increase child care¹ spending in Budget 2017 as follows:**

2017/18	\$600 million
2018/19	\$1.6 billion
2019/20	\$2.6 billion

To make the best use of public funds, federal transfers to provinces/territories should be conditional on public and transparent performance reporting that address goals, targets, and timelines. Further, federal spending on ECEC needs to grow over time to meet the international benchmark of 1% of GDP, and achieve the goal of universality. The current OECD average spending has reached 0.7% of GDP but Canada still spends less than half of this average.

Action on child care aligns with the federal government's social and economic objectives

The Canadian status quo of high parent fees and limited access to quality child care impedes progress on important social and economic objectives.

Child care directly reduces unemployment by employing educators, stimulating the economy, and providing unemployed parents, especially mothers with young children, the opportunity to upgrade their education and have time to find work.

Access to child care is central to women's equality. The 1970 Royal Commission on the Status of Women made 167 recommendations including the establishment of a national child care system. That recommendation is one of the few that remains unaddressed.

Child care remains an issue for Canada's middle class families as most cannot find or afford the high quality child care they need and want. Yet it is also a critical issue for families living in poverty. In a country in which 40% of Indigenous children living on- and off-reserve are growing up in poverty and poverty rates for non-Indigenous children are also stubbornly high, the urgency of acting decisively on ECEC cannot be overstated.

Quality child care also supports children's healthy development.

¹Early childhood education and care (ECEC) includes centre-based child care, regulated home child care, preschools/nursery schools and kindergarten; it has the same meaning as early learning and child care. Here we use the terms child care, early learning and child care and ECEC interchangeably, although we tend to describe our system-building aspirations as ECEC.



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As asserted in the Truth and Reconciliation Commission Report, when it's community-led and culturally appropriate, child care supports the healthy development of Indigenous children.

Funding child care provides children with disabilities the opportunity for early care and learning that they are often denied when currently underfunded regulated spaces cannot accommodate a variety of needs.

Many seniors are caring for their grandchildren in the absence of child care. They love their grandchildren, but they may not have chosen to be caretakers to their grandchildren during their retirement years, or have the stamina to do so.

Childcare also provides economic stimulus. It creates jobs, allows parents (particularly women) to work, and supports local economies through local spending.

For rural and remote communities, child care can prevent the loss of young residents. Evidence from Quebec shows providing people with access to a system of supports that includes child care helps to keep young families in their communities.

For businesses, lack of access to quality child care impedes productivity. Employees with young children experience higher absenteeism, greater turnover and lower productivity associated with child care issues, costing employers over \$4 billion annually. Almost 40% of families reports that a parent must remain away from work following the end of parental leave because child care is unavailable.

Child care is also part of a low-carbon economy. It is local and sustainable, driven by human rather than non-renewable resources.

Failure to address families' child care struggles limits the full benefits of other federal economic initiatives. The economic growth from job creation through infrastructure investments will be greater if workers also have access to affordable child care.

Aside from the many economic benefits, action on child care also promotes gender equity, another priority for the current government.

Action on child care is urgently needed

The evidence shows that families, employers, and communities struggle with multiple child care realities today:



- High parent fees – often exceeds university tuition (outside of Quebec) and increasing at rates that outpace inflation. High user fees put regulated child care out of many families' reach, threatening programs' viability while fee subsidies for lower income families fail to fill the gap.
- Low provision - Coverage is far below demand and expansion is slow. More than 70% of mothers are employed but there are regulated spaces in centres only for 24% of children aged 0-5 years. Shortages are particularly acute for infants, Indigenous and rural/remote communities, workers with nonstandard hours, and children with disabilities. As a result, many parents rely on unregulated care without public oversight or even minimum health and safety standards.

For-profit child care, which generally provides lower quality than non-profit, benefits from the government policy void that drives desperate parents to use whatever is available. In 2014, for-profits delivered 30% of centre spaces, sharply up from 20% in 2004. Commercial chains are growing across Canada and a number now operate more than 20 centres each. Countries where public funds support corporate child care experience high fees, low ECE wages, unmet demand, and poor quality. This should serve as a wake-up call for Canada.

- Inconsistent quality –Relative to other developed countries, Canada's low educational standards and low wages for early childhood educators negatively impact quality.
- Limited integration of care and education— Kindergarten has experienced the most substantial ECEC interest in recent years, expanding to full-school day in a majority of provinces/territories. Child care and kindergarten are now usually administered in the same government department but separated by starkly different policy and funding approaches. Kindergarten highlights the benefits of public education systems: all children have the legislated right to participate, they're taught by teachers educated at post-secondary levels who earn decent wages, and there are no direct parent fees. These benefits are not available to those with children under age five nor outside of school hours for the majority of working parents needing child care.
- Low public funding – All the issues referenced above are linked directly to weak public policy and inadequate and poorly used public funding. In fact, public spending for each regulated child care space has not changed over the last six years, even before adjusting for



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inflation. In 2007/08 Canadian governments spent approximately \$3,560 per regulated space annually; in 2013/14, \$3,558.

These statistics and others mean that Canada has ranked last among peer nations on major child care indicators. At the same time, Canada's weak child care situation became even more dire after the former federal government cancelled what would have been a Canada-wide child care program with a substantial fiscal transfer to provinces/territories together with a designated federal role in improving provision.

Both sustained funding and a shared evidence-based national policy framework are required

The CCAAC is a national, non-profit organization that promotes universal² access to quality, affordable, inclusive child care services that meet the needs of children and families. Our advocacy is evidence-driven and supported by a broad base of individuals, families, communities, and regional and pan-Canadian groups and organizations.

With colleagues from across Canada, and through shared leadership with the Canadian Child Care Federation, Childcare Resource and Research Unit, and Campaign 2000, we developed a [Shared Framework](#) to support the creation of the National Early Learning and Childcare Framework promised by the federal government.

The Shared Framework draws on multi-disciplinary research, policy analysis, and best practices. It can facilitate a collaborative intergovernmental and community process and serve as the foundation for a program that will grow to meet the needs of all families and children.

The Shared Framework notes that the Truth and Reconciliation Commission recommends culturally appropriate early childhood education programs for Indigenous families as a part of healing and reconciliation. While there are common points, we recognize that Indigenous communities may choose unique approaches and content. Therefore, Canada's child care community urges governments to support Indigenous communities to implement this recommendation.

The Shared Framework has three core elements:

- Common federal, provincial, and territorial frameworks—starting with a Canada-wide policy framework which assumes ECEC is a public good, not a commodity, and highlights the

²'Universal' means non-compulsory (at parents' discretion) – equitable, affordable, available and appropriate.



key principles of universal access, high quality, and comprehensiveness. Provincial/territorial policy and related legislation would reflect this common vision. The frameworks would also specify that Indigenous communities have the power and resources to design, deliver, and govern their ECEC systems and services;

- A plan for long term sustained funding so provinces, territories, and Indigenous communities can provide base funding directly to services to advance quality, affordability, and inclusion. The financial plan would include capital funding to maintain and expand services and resources to support infrastructure, including research and evaluation;
- Components that enable system-building– collaborative policy and system development efforts, including a national workforce strategy (education/compensation), data/research/evaluation, public reporting, innovation, democratic participation, and other initiatives shared by all levels of government and involving key stakeholder groups.

The Shared Framework envisions various service types to meet the diverse needs and preferences of families today. It also acknowledges that child care sits within a broader package of family policies such as direct income supports, improved maternity and parental leave, and workplace practices that are responsive to family needs.

While incorporating a leadership role for the federal government, the Shared Framework is sufficiently flexible to accommodate and respect: varying states of progress in different provinces/territories, the respective roles and responsibilities that different governments can and should play, and the sensitivity and ambiguities surrounding issues of federalism in Canada.

Flexibility for provinces/territories within a broader framework, while ensuring that provinces/territories meet specific requirements and targets, is possible.

The commitments of Budget 2016 are a starting place but broad statements must be turned into specific actions that move Canada from a market-based approach to a public system. This requires strong, steady, and sustained federal leadership. The experience of child care in Canada clearly illustrates that this federal leadership is a missing, necessary element if child care is to move from its current lamentable state to a new high quality, evidence-based program that will support families in a 21st century Canada.

This submission draws substantially from the child care chapter of the CCPA Alternative Federal Budget 2016 and the CCAAC submission to Budget 2016.