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Chair

Mr. Dean Allison

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•(1535)

[English]

The Chair (Mr. Dean Allison (Niagara West—Glanbrook, CPC)): Pursuant to the order of reference of Wednesday, November 22, the committee will now commence its study of Bill C-303.

I want to ask the committee, if they would indulge me, just quickly to have a look at the sixth report of the subcommittee on agenda and procedure, which is in your package. Let's have a quick look at it, and if there are no issues with it, perhaps we could quickly adopt it. If there is going to be a lot of major discussion, then by all means we will have to deal with it after.

These are the recommendations for what we're doing. It's the updated calendar for what we're going to be looking at over the next few weeks and going into June.

If everyone has had a chance to look at it and no one has any concerns, then I would ask whether we're able to adopt it at this time.

Mr. Savage, go ahead.

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): I just see one day of witnesses on Bill C-284. Is that correct?

The Chair: That's correct.

Mr. Michael Savage: Is that what the committee had agreed on?

The Chair: That is correct at this point in time. If there needs to be further discussion, we can—

Mr. Michael Savage: Let's do that.

The Chair: Okay. We can definitely do that.

We can adopt this the way it is right now, and we'll just make sure, Mr. Savage, that we have a chance to talk about that afterwards.

Mr. Michael Savage: I want to leave open the possibility of hearing more than one day of witnesses.

The Chair: Okay.

Is there any other discussion on the sixth report?

Is it the pleasure of the committee to adopt the sixth report of the steering committee?

Some hon. members: Agreed.

The Chair: All right. The sixth report has been adopted. Thank you very much.

Can we get you to have a look at the Centennial Flame? We will not discuss it right now; we can have a look at it after. It is that time of year again when we talk about the Centennial Flame Research Award, but I don't want to cut into Ms. Savoie's time. We're going to let you get started now. We can have a look at the Centennial Flame Research Award later.

Denise, thanks for being here today. You have some time to present.

Ms. Denise Savoie (Victoria, NDP): Thank you very much, Mr. Chair.

I know there's a tradition in this committee of asking witnesses what their salary is, so I just want to put it out there right now that I'm all for transparency about MPs' salaries.

The Chair: Are you at \$145,000 or \$150,000?

Ms. Denise Savoie: I don't even know.

Thank you very much, Mr. Chair. This afternoon I want to make clear what this bill intends and what it would do. I would like to also allay the concerns, where I can, of those who have voiced opposition, by addressing first misunderstanding or misinformation about the bill's intent and impacts, and by presenting from the outset two amendments to the bill that we will put forward to address some of those concerns.

The bill was designed with positive intentions, not to weaken but to enhance current provincial and territorial early learning and child care systems; not to curtail but to expand the current range of choices available to Canadian parents and children.

I'm going to start with the premise that we agree on certain things. The first premise is that we all agree that good parenting and early learning opportunities are crucial for the future development of children. And I think we all agree that parents are responsible to help their children grow and thrive. And I think we also all want to offer the best and the widest range of choices to those parents, so that they in turn can offer the best head start for their child.

[Translation]

The question, Mr. Chairman, is how do we achieve this? The answer is, by doing better than we now do in Canada. According to this year's report by the Council for Early Child Development prepared by Dr. Fraser Mustard, the cost of early childhood behavioural and mental problems is estimated at over \$30 billion. Costs could be reduced by 50% if a more comprehensive learning and child care system were in place.

According to this report, Canada ranks dead last, or 30th out of the 30 OECD member countries, including most European countries, Australia, New Zealand and the United States, in the area of early childhood education. We spend one quarter of 1 % of our GDP on early childhood education, that is less than the United States and a fraction of what developed countries spend, or 2% overall. The report qualifies Canada's early childhood education program as a "chaotic mess". This bill aims to correct this situation.

The aim of Bill C-330 is to make public day care services the cornerstone of Canada's social policy. If enacted by Parliament, this Bill would provide adequate and stable federal funding to guarantee universal access to learning and early childhood services, thereby giving all Canadian families more choice in these matters.

[English]

I've met parents in Victoria who were told that they must wait seven to eight months before they could get their name added to a wait list. Some parents start seeking out wait lists as soon as they know they're expecting.

One parent said to me, "If I got a space in June,"—and this was quite a few months ago—"I'd pay two months of child care just to keep the space for my son, and that's a lot of money for me."

Another person said, "We're moving up on some of the wait lists, but the closest we've come is number 12. It's just not an option for one of us to stay home."

This bill is for countless parents who find themselves in similar circumstances.

I would like to state what this bill would not do, in contrast to some misunderstandings and misinformation that you may have heard.

● (1540)

[Translation]

The bill would not interfere with a parent's right to choose what is best for his or her child. It would not pass judgment and would not limit the child care options available to parents. Rather, it would give parents more choices in terms of providing their young children with the best possible learning opportunities. This new quality option would be readily accessible and affordable and in keeping with the latest scientific data and cutting edge practices in the field of early childhood education.

Furthermore, the bill would not infringe in any way whatsoever on provincial and territorial jurisdictions with respect to child care service delivery. It would not pass judgment on or restrict the excellent programs provided by certain provinces and territories. Rather, under the bill, provinces and territories would receive funding to expand and improve upon the child care and early childhood education services offered to parents and their children. In other words, this is enabling, not restrictive, legislation.

[English]

After we introduced this bill, we went out to collect input from a broad range of sources. Or we did this again, because we had already done so before introducing it. But in this case we sought input from provinces and included elected officials, parents, ordinary working

people, community groups, and so on. We've tried to allay some of their concerns. Further to that endeavour, I can confirm that we will bring forward two amendments to this bill.

The first amendment would recognize regulated or licensed family child care providers, as determined by the province or territory.

Secondly, I acknowledge and respect the role that the aboriginal head start program and other aboriginal-specific programs play in Canada's child care infrastructure and recognize that it needs to be recognized in the act. I look forward to the testimony of the Association of Friendship Centres, who will guide us in this regard.

I'd like to speak to one final concern I have heard, which I believe requires clarification. I've been asked, "What about parents who don't want public child care?" My answer is that I respect the choice of parents to stay at home. In fact, I believe that these early years are unique and precious times for parents. But sadly, it's not a realistic choice for so many. I presented this bill to ensure that those parents who need it have the option of choosing affordable, high-quality, public child care, so that they can be assured their child will get the best possible start.

For those parents who do stay at home to care for their children, my bill does not cancel the Conservatives' \$100 monthly payout. Let me be very clear: you do not have to take part in a new early learning and child care system, but such a system will provide new, affordable spaces as options for those parents who need them.

We've heard from countless parents who have no choice. This bill gives choice to these parents without removing choice from many others. In fact, it gives more choice to all parents who choose quality early learning and child care.

I'd like to end on a personal story that I think is relevant. My daughter is a talented educator of young children, and she herself has a three-year-old. She's decided, and they've made that very difficult choice, that they will make some sacrifices—but still, they can do it—and she stays at home with their children. Her three-year-old speaks to me in French—he's learning French—he skis; he's learning the violin. He's really exposed to a very enriched and stimulating environment.

But recently, when I visited her, I met a young four-year-old who lives a few streets down, and he is not so fortunate. His parents don't have that option; it's absolutely not a possibility. He's left with a babysitter. During a good part of his day, he watches TV. As I was watching him, it was apparent that he already has difficulty learning, and those problems are going to stay with him.

My daughter, who's an educator, said that with early intervention, the learning difficulties he has don't have to be his future. I thought this was important to relay to the committee, because it seems to me that clearly we can pay now or we can pay later. But with children like this one and the many others who do not have the opportunity of a stimulating, enriched learning environment, or who, sadly, in some cases do not have attentive caregivers and are not attended to, we will be feeling the consequences in our society collectively.

The Early Learning and Child Care Act is an investment in our future to give all children a head start: they're our future.

Thank you. I'd be pleased to answer your questions.

• (1545)

The Chair: Thank you, Madame Savoie.

What I'm going to do, because we don't have a lot of time today—we have two groups—is ask that the first round be five minutes so that we can try to get in as many rounds as we can. We'll leave all rounds today at five minutes. I'm going to start with the Liberals.

Ms. Dhalla, you have five minutes, please.

Ms. Ruby Dhalla (Brampton—Springdale, Lib.): Thank you very much.

Denise, I think your presentation was most informative on an issue that is important to so many Canadians across this country. I can tell you, as the critic for social development and one who is responsible for early learning and child care in terms of the portfolio, we've had a chance to hear from so many advocacy groups across this country and so many Canadian parents and families of the struggle they are facing to have their children in a high-quality program while they are working. I think you perhaps said it best when you said that there are families, both mothers and fathers, who have the opportunity and who choose to stay home with their children, but there are many parents across this country, many single mothers in particular, who do not have a choice and who do not have an option.

In town hall meetings and meetings with some of these advocacy groups and organizations, the one story that we repeatedly hear is that the wait list is years and years. By the time their turn comes up to be able to have the opportunity to enter into a day care, many of these women have had the unfortunate choice of having to stay home and having to struggle to make ends meet, or by the time their wait list number comes up and they have the opportunity to enter day care, these children are then eligible to go to nursery or kindergarten.

In your report you also highlighted the fact that Dr. Fraser Mustard, one of the leading experts in this country, along with many other experts, has highlighted the importance of investing in early learning and child care. I think it was under that premise and the desire of so many Canadian parents and families that the provincial and federal government in 2005 put into place the early learning and child care agreement in cooperation and conjunction with the provinces and territories. There was an investment of over \$5 billion over five years to ensure that we would have the creation of child care spaces in this country.

From a realistic perspective there are many individuals around this table and perhaps in this room who have worked for many years on

this particular issue. It was with their desire, hard work, and efforts that this early learning agreement was put into place. It wasn't without its share of challenges, but I think it was a significant achievement and a significant milestone for so many people in this country.

In talking to individuals now, there has been a tremendous sense of frustration amongst these parents, families, and advocacy organizations that the agreement was rescinded and instead the \$1,200 per year was put into place. As many parents have experienced first hand, this taxable \$100 a month has left parents in an unfortunate position because so many of them realize there are no spaces available. You could be paying an individual \$5,000 a month or a \$1 million a month, as I put it, and if there are no spaces for their children to be able to attend day care, then at the end of the day that money, in many instances to ensure a quality educational day care space, really becomes meaningless to them.

The other challenge that many individuals have found is that when there are spaces available, they don't know how \$2 a day is actually going to ensure they receive quality day care.

Perhaps you can elaborate for us from what you have heard how this bill would ensure that parents and families across this country would have access to quality, universal, accessible day care spaces to ensure we do invest in the future and in our children who are going to be the leaders of our nation.

• (1550)

The Chair: You'll have to do that all in less than a minute.

Ms. Denise Savoie: I can do it.

You're quite right, this bill is based on these four principles of quality, accessibility, universality, and accountability. You're quite right that right now there is money being transferred to the provinces. I believe that it's going to go down to \$250 million in 2007-08, but with no accountability measures. The previous Liberal agreements were based on those criteria. Unfortunately, they weren't set in a legal framework or an act, so they could be reversed at the stroke of a pen. That's what we're hoping to correct, to ensure that parents and children are in a situation where they have these opportunities.

The Chair: Thank you, Ms. Dhalla, and thank you, Madame Savoie.

We're going to now move to Mr. Lessard from the Bloc, for five minutes please.

[*Translation*]

Mr. Yves Lessard (Chambly—Borduas, BQ): Thank you, Mr. Chairman.

I want to welcome our colleague Ms. Savoie and congratulate her on the quality of this legislative initiative. But I think that first and foremost, I have to say that there is a great need for this bill.

In Quebec, we have a daycare program in place. Of course, it can always be improved upon, but it has already produced some amazing results in so far as improving the quality of life, particularly for women. It has given our children a leg up on life and school.

It is my understanding that Quebec is excluded from the bill and that provincial and territorial jurisdiction is maintained. And yet, you're calling for the appointment of an advisory council to examine this area and prepare a report.

Why do you feel it would be useful to appoint an advisory council, given that the provinces and territories have jurisdiction over these areas?

Ms. Denise Savoie: Thank you for the question. We did in fact look to the Quebec model for inspiration when we drafted this bill. This model had a major influence on us because it meets all of the criteria and provides quality learning opportunities for children. You are also quite correct in stating that the provinces are responsible for administering these programs. The bill would not interfere with this process at all.

One of the reasons why we are in favour of appointing a council is, quite simply, to ensure transparency in the funding transfer process, something that we don't have right now in Canada. For example, my province receives approximately \$121 million and there is no way of knowing if the funds really are spent on early learning and child care programs. I do believe that some measure of accountability is warranted. If taxpayer dollars are transferred to the provinces, an explanation should be given as to how this money is used.

Quebec was excluded because of its cultural distinctiveness.

•(1555)

Mr. Yves Lessard: Regarding provincial jurisdiction, we also need to understand that the kind of oversight the federal government would retain would give it some authority to ensure that families... Your focus is more specifically on low-income families and on giving them access to services of this nature. However, it is often difficult to reach children with a disability. In so far as provincial and federal jurisdictions are concerned, I'd like to see what steps could be taken to reach this target group.

It's not really what we would like to see. We would like to see the provinces and territories do the job that they are supposed to do. We just want to understand the dynamic interplay you're trying to achieve through your bill.

Ms. Denise Savoie: As I've already explained—and I think you're aware of this—Quebec is exempted and can opt to receive these funds or to be fully exempt. If I understood your question correctly, I think the whole idea was to ensure that the provinces meet the standards of universality, accountability and accessibility, as defined in the act. Access under the program would be guaranteed for all children, including those who may have problems or a disability.

[English]

The Chair: Thank you very much, Monsieur Lessard and Madame Savoie.

We're now going to move to the NDP, for five minutes, Ms. Chow.

Ms. Olivia Chow (Trinity—Spadina, NDP): My question would be fairly easy.

In the last two years, in 2005-06 and then 2006-07, I believe the federal government during the Liberals' time in 2005-06 transferred \$925 million to the provinces, \$225 million from the multilateral

framework agreement, and \$700 million through the bilateral agreements.

Would you know, or does anyone know, how many child care spaces have been created in Canada out of this \$925 million in 2005? In 2006 there was also \$950 million. Do we know how many child care spaces were created, whether they are high quality or not, whether they are accessible or affordable? Would you know any of that information at this point?

Ms. Denise Savoie: Thank you for the question.

It is my understanding, from speaking to the former deputy minister in British Columbia, that these framework agreements had just been finalized. I believe that was in 2005, at the time of the last election, so I don't think there has been any real accountability, because shortly after that the election occurred, and based on the Conservative promise to eliminate the existing program, I think provinces were left somewhat in disarray. So it has been very difficult to obtain that information, if it's at all possible.

In fact, that is the problem. There is no accountability at the moment, and that is why parents are scrambling. That is why even with the access to information that we have, it's been very difficult to get any clear understanding from any of the provinces I've spoken to.

Ms. Olivia Chow: The recent report that came from the advisory committee that was set up by the federal government said that the child care workers' salaries are low and there is a high turnover rate and high burnout, because it's just very difficult, especially outside of Quebec, and as a result of the turnover it's very difficult to establish a really good, firm foundation for our children's early learning and child care.

Do you find that to be a problem also in British Columbia, for example? Is the child care worker's salary a concern?

•(1600)

Ms. Denise Savoie: Absolutely. And not only has the issue of salary been a question, but people leaving jobs in child care because they can earn much better wages in other sectors, even call centres. So that's been a real problem.

There has been an additional problem. I'll speak from my province, where the cuts that we've just seen in the last year by the Conservative government have been passed on by the province to child care centres. So it has not only affected the morale and the atmosphere in the workplace, but it has increased the cost for child care that parents have to pay. A parent, just last weekend, told me that their fees are going up from \$925 in our province per month to \$1,025, so that's exactly the \$100 that was given. That's because the province has passed on the cut in subsidies. As a result, child care provider salaries are abysmal, and costs for child care without the subsidies have increased significantly. That is just like a complete other rent payment per month.

The Chair: Thank you very much, Ms. Chow and Madame Savoie.

We're now going to move to the last questioner of the first round. We'll turn to Ms. Yelich. You have five minutes.

Mrs. Lynne Yelich (Blackstrap, CPC): Thank you, Mr. Chair.

Mr. Chong will be asking questions. I just want at the outset to mention that this government does support child care, and we've shown it by tripling the resources that are budgeted for child care—\$5.6 billion per year.

We do not support a bill that does not provide the choice in child care but instead provides a one-size-fits-all model that will not address the child care needs of our diverse family of Canadians.

We do not support a bill whose only clear purpose is to hold the parents to ransom with threats of taking funding for child care away from the provinces, because if the provinces don't meet the federal standards, the bill blocks it.

Ms. Denise Savoie: Mr. Chairman, I can't hear very well.

Mrs. Lynne Yelich: I just want to get on record that this government believes in a balanced approach that provides choice in child care to Canadian families. We understand that not all parents have the same child care needs. That's why we're investing in children and providing choice in child care to Canadian families.

I will defer to Mr. Chong.

Hon. Michael Chong (Wellington—Halton Hills, CPC): Thank you, Mr. Chair. Thank you, Lynne, for that.

I think you have the best of intentions here, Madame Savoie, and I commend you for the effort you've put into this bill. But I think it is misguided. I'll make a few comments and I'd like you to respond.

We believe in federal leadership in certain provincial areas of jurisdiction—health care through the Canada Health Act and the Canada Health Transfer; post-secondary education and training, another area of provincial jurisdiction, through such federal programs as Canada research chairs and investments into universities and colleges and the like; federal investments and leadership on national infrastructure programs. And there may be other areas where the federal government will use its constitutional spending power to affect national priorities in provincial areas of jurisdiction.

However, we also, as a government, believe in the need for child care. We understand that Canadian working families need access to child care, but we also believe that provinces are best positioned to deliver this child care and early childhood learning. In some ways, early childhood learning is really an extension of the public education system, and no federal government of any stripe would dare to tell a province or suggest telling a province what they should do in their public education systems. Similarly, we believe that child care is best delivered by the provinces.

What works in rural Saskatchewan, what works in rural Manitoba, may not work in downtown Toronto or downtown Vancouver, or in Quebec. Every province has a different approach. Quebec has a \$7-a-day program; Ontario has the Early Years Centres; every province has a different approach.

We acknowledge the need for child care, and that's why the government has invested a lot of new money into the transfers to provinces. We're investing a record \$39 billion over the next seven years or so to enhance the transfers to the provinces, so that they have the resources to deliver the programs they have responsibility for.

The provinces are running surpluses now. The aggregate surpluses of the provinces equal if not exceed that of the federal government, so they have the fiscal capacity to do these things.

If you look at what was done previously, under the previous Liberal government, and at what we're doing now, I think the contrast is stark. The previous plan was \$1 billion a year. What are we doing? We are providing, through the universal child care benefit, \$2.5 billion a year directly to parents, and on top of that, \$39 billion over the next seven years to enhance transfers to the provinces, so that they can deliver the services they're responsible for. I think we've done a lot to assist provinces in the delivery of this responsibility that they have.

The final point, which I'll conclude on, is that the reason I believe this bill is misguided is that the provinces won't agree to it. In the previous Liberal arrangement, there was a two-step process. There was an agreement in principle, which all the provinces signed on to. Because it had no conditions, all ten signed on, but when it got to the second stage of actually getting to the shared cost arrangements, many provinces refused to sign. When we took power, we found out that, as a matter of fact, a number of provinces had refused to sign on to these shared cost arrangements.

Presently, concerning this existing bill, Nova Scotia, P.E.I., and the Northwest Territories have expressed opposition. The bill already admits failure, because in clause 4 it actually exempts Quebec from the provisions of the bill. I think that, combined with the cost—Quebec's system costs well over \$1 billion a year, with a quarter of the population of the country, and that's at a 50% inclusion rate.... If you extrapolate that to the rest of the country, you are looking at something that could cost upwards of \$5 billion and has all these cross-jurisdictional difficulties.

I think there are a lot of problems with this bill.

• (1605)

The Chair: Thank you, Mr. Chong. That's all your time.

We're going to move to Mr. Savage.

In order to get as many people in as we can, I'm going to—

Ms. Denise Savoie: Do I get a chance to respond?

The Chair: Was there a question there, Mr. Chong?

Ms. Denise Savoie: There were many questions.

The Chair: We'll let you catch.... He's out of time, so we're going to move to the next round.

I'm going to ask that for this round we go to three minutes. We are going to be over time, but we have to keep pushing through.

So Mr. Savage, you have three minutes, sir.

Mr. Michael Savage: Thank you, Mr. Chair.

Madame Savoie, one of the many things about the early learning and child care agreements that people in Nova Scotia liked, specifically parents of children who were in special circumstances and with special needs in Nova Scotia, and francophone children—la Fédération acadienne de la Nouvelle-Écosse were very excited.... It's not an issue of having \$100 a month; it's an issue of having spaces. Some of the money that was dedicated in Nova Scotia was going to create spaces for children who are, let's say, under-serviced from an early child care point of view.

I wonder whether you could address how this bill might assist in that area, if it does at all.

Ms. Denise Savoie: Thank you.

According to the bill, to qualify for the federal funding provinces must also ensure that child care services are accessible, as I said earlier, to all children, including those with special needs. So I think it would address the issue you're raising, Mr. Savage.

Mr. Michael Savage: I want to ask you a question about the not-for-profit. Like many parents, we have had our children in both not-for-profit child care and for-profit child care—and for-meagre-profit child care. It seems to me that the end result needs to be that these principles are in place, whether in private day care or a not-for-profit.

I understand, to some extent, the reason we have to invest in the not-for-profit. But what do you say to a really well run, highly qualified teaching environment, serious—and there are a lot of them—private child care facilities that really match all the qualifications you're looking for but happen to be privately owned?

Ms. Denise Savoie: That's a fair question.

As a parent of three children, I have also had my kids in a variety of child care facilities at different times, so I'm aware that there are some that are of a very high quality. That's one of the reasons we grandfathered the existing ones.

I guess there would be two answers to that. The first one is, it's questionable whether public money should go into for-profit businesses. It seems to me to be a kind of unfair subsidy. That's the first answer.

The other is that it was an attempt to prevent public money from going to for-profit businesses where, for example, there would be shareholders—the large, corporate kind of child care that's occurred in some jurisdictions where there's been a policy gap or the absence of criteria such as these. That would be the main concern.

But the existing ones, the high-quality ones that you mentioned, have been grandfathered in.

•(1610)

The Chair: Thank you, Mr. Savage. That's all the time we have.

We may be able to sneak in one more quick round.

We're going to have Madame Barbot, for three minutes, please.

[Translation]

Mrs. Vivian Barbot (Papineau, BQ): Thank you, Mr. Chairman.

Thank you, Ms. Savoie.

I applaud the tabling of this bill which points out, exceptionally, that Quebec is doing something good within Confederation. I think this is truly worth noting. The process of setting up a daycare system in Quebec took 30 years. It didn't happen overnight. As you said, it addresses a need, particularly for women. We don't want just any kind of daycare system. We want an excellent one that reflects the fact that we invest collectively in our children. In my estimation, we need to acknowledge this fact.

People say that parents should have a choice, but in order to have a choice, they need to have some options. That's not the case right now in Canada because no public daycare system is in place. We can't give parents a choice by depriving them of the right to choose a daycare that meets their needs. By doing that, we deprive everyone of a choice. The funding issue is, in my opinion, a red herring. People question whether parents should receive money to take care of their children. That's a valid question, but it's not the issue here. We shouldn't mix apples and oranges. What we want is child care services. That's the real issue here.

The proposed daycare system would address a real need, a need that will continue to grow. The question we must ask ourselves is this: do we want to give our children the very best opportunities to prepare them for school. Above all, low-income families must have equal access to child care services.

I am, however, concerned about one thing. You mentioned accountability. Since Quebec will be fully entitled to opt out of this system, I'm wondering if it might be required to meet certain standards and to account for its use of any money allocated in future for its day care program.

[English]

The Chair: You have 35 seconds, okay?

[Translation]

Ms. Denise Savoie: No.

Mrs. Vivian Barbot: So it's clear then.

That being the case, we fully support the bill's objectives. It's truly important that all children have access to this system. As for funding or daycare programs, you've seen for yourself that parents can be actively involved in the system and can influence the type of programs offered.

Ms. Denise Savoie: We do indeed need to set goals and identify common actions. That's precisely what this bill purports to do. However, as you said, we're not going to accomplish everything overnight. It will be more of a gradual progress.

[English]

The Chair: Thank you, Madame Barbot.

We're going to now move to Ms. Chow for three minutes, please.

•(1615)

Ms. Olivia Chow: There have been studies that said non-profit-based child care and the home-based ones that are run by regulated home care are of higher quality than the for-profit counterparts. That has been the experience, if you look at various studies. One study, for example, rated 325 child care centres across the country and found that non-profit centres offer better quality care than for-profit centres.

Is that one of the reasons—because of the quality of the services delivered to children—why the bill talks about non-profit organizations?

Ms. Denise Savoie: I've read the report you mention, and indeed the study did reach the conclusion that not-for-profits as a rule provided higher quality. We are all aware that there are some very high-quality for-profit facilities, and we all know some of them, but as a rule, that was the conclusion of that report. It certainly influenced us in our decision to proceed with the bill as we did.

It's clear that there is the same philosophical divide when there's a for-profit motive as there is, for example, with the proponents of for-profit health care. When you have to worry about making a profit out of addressing health care needs, there is less attention to the specific health care needs of the patient. Similarly, one could conclude that the attention should be on the development of the child—cognitive, emotional, and so on—rather than on eking out a profit. That was the rationale of our not-for-profit starting point in the bill.

Ms. Olivia Chow: There have been international studies after international studies that said that as far as child care early learning services are concerned, Canada is at the bottom of the heap. It is, in fact, the worst of all the industrialized countries, and it's a hodge-podge patchwork. In places such as Calgary, a lot of workers cannot work, even though they want to, because they just don't have child care. It is now hurting Canada's productivity.

Then, some care is delivered in a way that is completely ad hoc, and as a result, some of the kids are going to school not ready to learn, and that is hurting their academic performance. As far as productivity is concerned in Canada, is it one area child care services really assist in developing?

Ms. Denise Savoie: It is, absolutely. I just want to say very quickly that when we were in Halifax as a committee—I think the chair referred to it as friendly fire—we received the testimony of senior policy analysts with the Canadian Federation of Independent Business, and the comment, which I will quote, was: "It's true"—referring to what's called the negative employment or skills shortage in Alberta—"that in Alberta there's a lot of negative unemployment.... Recently, I was looking over Statistics Canada numbers, and surprisingly, Alberta has the lowest participation of women in the workforce.... Quebec has the highest.... The reason is very easy"—and she said she rechecked those numbers, because she couldn't believe it—"the day care system."

I quote again:

There are factors in the market that work differently than just a job offer. The day care system in Quebec...encourages women to go back to work much sooner after they have children. Alberta doesn't have that.

The Chair: Thank you.

We're going to now move over to the Conservatives, and we have Mr. Brown, for three minutes.

•(1620)

Mr. Patrick Brown (Barrie, CPC): Thank you, Mr. Allison.

First of all, how does this bill ensure that federal funding adds to and does not merely displace the dollars provinces are already putting into child care? When I speak of this concern, the best example is this recent federal budget, where the province in which I reside, Ontario, was given \$97.5 million. The Liberal premier of the province a week later in his budget allocated \$25 million for child care as all he deemed to be necessary. So there we have \$72.5 million which the Province of Ontario didn't allocate to child care.

How is this bill going to ensure that it adds to child care and doesn't simply displace the dollars provinces already put into child care? And I note that this government has tripled funding for child care.

Number two, Quebec's program is said to be universal, but only 50% of the parents access provincially funded child care programs. So what is the benchmark for universality, and what is the cost going to be—this is an important point, Ms. Savoie—of achieving universality? Is it going to be the 50% version of universality, which isn't universality, or actual, genuine universality?

Number three, this bill requires auditing the provinces, and audits require supporting bureaucracy. Who's going to pay for this auditing process? Is it the federal government? Is it going to be a federal bureaucracy or a provincial bureaucracy?

Number four, the bill creates an advisory committee. Will members of the advisory committee be paid, and who is supporting that? In that sense, how much of this new funding is going to be spent on administration compared with what actually goes to families?

Ms. Denise Savoie: Thank you.

You have lots of questions. I don't know whether I have enough time to answer all of them, but certainly the clawback issue is one that's real and that has to be addressed in any program.

The purpose for this law was precisely to determine the modality of the criteria that would relate to the amount of financing that came from the federal government. It requires that they respect the criteria that were arrived at, understanding first how those criteria would be implemented and would be administered, and that there be a common understanding to respect the quality aspect, and universality, so that there is accountability.

I know that in British Columbia, to use again my province as an example, when the federal funding was cut, the subsidies ended to child care centres, and there was a kind of *boule de neige* effect affecting the costs. So there certainly has to be, I think, a process by which provinces are accountable for the money that they—

Mr. Patrick Brown: There are two important points I want to hear about from you before my time's up: the cost, and what your level of universality is.

What is the cost of the program?

Ms. Denise Savoie: Right now in Canada, according to Statistics Canada, 54% of children between six months and five years old are in some kind of care situation. So I would think that universality.... There are different needs in different provinces, and that's why we proposed the amendment around home day care.

There are different accommodations that this system could factor in, but certainly the 54% is a benchmark. Depending what percentage were in day care at the time this law came into being, that would represent the number for what "universality" should be.

The Chair: Just quickly before we move on to the next round, do you have any idea of the cost, Madame Savoie?

Ms. Denise Savoie: What the NDP proposed was \$1.2 billion, but actually, it involves no costs other than what is being funded now, because as was stated by I think members of the Bloc, this isn't a program that would occur overnight. It is anticipated—to respond to, for example, funding questions about the universality—that over time....

But right now there is money going to the provinces, and the program could start exactly on the amount of money that exists today. We have to start with an objective and we have to give ourselves the means, but it could be the basis for the law today, with no additional funding at all.

• (1625)

The Chair: Okay, thank you.

We're going to move on.

Mr. Simms, you have three minutes, please.

Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windor, Lib.): Thank you, Mr. Chair. I'll try to make this very quick.

I commend the basis by which you've started this, and whole idea of an act per se for child care is a noble one. However, it's a question of—and this reverts back to universality—the circumstances that exist in my riding and I don't think are really distinct to just my riding. Here is the situation.

Eighty percent of child care delivery in my riding is for profit, and a meagre one at that. We have a situation by which the delivery of this is very difficult, under circumstances where it is done over one or two or three centres, similar to health care.

If this is to come into effect, from what I see it's going to be difficult for parents who live in smaller communities to get to some of these larger centres. You mentioned that the for-profit facilities, whether at home or at smaller centres, will be grandfathered. Is that correct?

But the problem that remains beyond this is that the penetration to 80% is still going to be very difficult. I want to hear that under an act this child care delivery, in the context of rural delivery, is still going to be honoured.

Ms. Denise Savoie: Yes, absolutely, and that was one of the reasons we proposed the amendment—to make it more flexible. That's exactly right. In rural areas when you go out for the harvest or whatever, there is a need for having the children cared for in a home-based type of day care setting that doesn't involve going to a large centre, absolutely. That was the specific intent of the amendment.

I'm sure Ms. Chow, as a sitting member of the committee, can elaborate on that as you deliberate on this bill, because that was specifically the intent. It was to make it more flexible, so that we're not just talking about large urban centres like Toronto, but specifically responding to those needs.

Also, even within urban centres, if parents would prefer to go down the street to a licensed home day care situation, that might—

Mr. Scott Simms: In connection with the amendment you're talking about, you mentioned earlier that studies show the level of private health care is not on a par with not-for-profit care. It doesn't really paint a good picture if, for a lot of these people who can only access.... I have over 200 communities in my riding, and—

Ms. Denise Savoie: I think we're struggling about the definition of for-profit and not-for-profit, and I think that's important. If you look at a situation in which a parent sets up a home day care, I don't think the idea is to make millions of dollars; I think the idea is the care of the children. That's the distinction we're making.

I think Ms. Chow will present a more specific definition with the amendments. What we're talking about when we refer to for-profit is a large corporate enterprise for which the money—

The Chair: I have to cut both of you off here. I'm sorry, Mr. Simms, but we're slightly over. We're trying to get as many in here as possible.

Mr. Lake, you have three minutes. This will be the last questioner, and then we need to switch up so we can bring in several other witnesses. Go ahead, Mr. Lake, for three minutes, please.

Mr. Mike Lake (Edmonton—Mill Woods—Beaumont, CPC): Madame Savoie, we don't have nearly enough time to go into everything I have to go into, but I have several points.

First of all, you mentioned no additional funding. That's miraculous to me, since you're asking for more staff at higher wages to accommodate more kids because of the waiting lists—yet it won't take any additional funding. I find that quite miraculous. Even if it's true that it doesn't take additional funding, it means that this bill is just conditions, which I can't see any of the provinces going for.

Here is a quick question: how much per space is the normal amount across Canada per child, per year?

• (1630)

Ms. Denise Savoie: I'm not sure. I've forgotten that. I think we discussed it at noon.

Mr. Mike Lake: Olivia?

Ms. Olivia Chow: It's \$8,000.

Mr. Mike Lake: It's \$8,000.

We have 1.9 million kids right now receiving the UCCB, so 1.9 million times \$8,000 is...a whole lot—\$5.48 billion, it looks like. I don't know. That might be wrong, but it's a lot of money.

Ms. Denise Savoie: I think you're referring to kids who receive the universal benefits, not kids who are in care.

Mr. Mike Lake: It's a universal program. If every family decided to use it, that's how much it would cost. It's open to every family.

I have several points, based on a lot of the things I've heard. First, you made a comment earlier that you respect the choice to stay at home, but that sadly it's not a realistic choice for many. I'd say that's a false choice you're saying there, because finally we have a government supporting families, but up to this point we haven't. Maybe they haven't had a choice because they haven't been supported.

Ms. Denise Savoie: I'll refer you to—

Mr. Mike Lake: You say that for those who stay at home, the bill does not cancel the UCCB, but you do not have to use child care. I would add that you didn't finish the quote: you do have to pay for it under this legislation, if you're a family staying at home.

Ms. Denise Savoie: That's what society does. Are those questions for me?

Mr. Mike Lake: I thought you made a really good comment when you said that voters basically made the decision on January 23 “based on the Conservative promise to eliminate the existing program”, so you did indicate that voters made an educated decision, at least, and decided against this type of program.

Ms. Denise Savoie: It was 37% who decided.

Mr. Mike Lake: I just want to share some feedback, a representation of people in my riding. This is very typical. Consider two very similar Canadian families, each with two parents and two kids who are two and four years old. In both cases the first parent is employed full time and makes \$50,000.

In the first family the second parent chooses to work full time, making \$35,000, for a total gross family income of \$85,000. The second family makes a different choice: the second parent stays home with the kids. It's a sacrifice, but they make it work. Their gross family income is therefore \$50,000.

You would agree that both the stay-at-home parent and the working parent probably work equally hard, right? No one would dare to suggest that a stay-at-home parent works less hard than anyone else. Is that fair?

Ms. Denise Savoie: Absolutely.

Mr. Mike Lake: To continue with the example, the parents in the first family found a good day care for their kids. They spend \$16,000, if we use Olivia's numbers, for both kids, so if you simply subtract the child care costs without even considering a tax deduction, that family makes \$69,000.

The second family, the family with the stay-at-home parent, still makes \$50,000, so we have \$69,000 and \$50,000. From my understanding, this bill would basically take that pile of billions of dollars and give it all to the families making the \$69,000 at the expense of the families making the \$50,000.

You're basically subsidizing child care for the family making \$69,000 or \$70,000 at the expense of the family making \$50,000. It is common sense, right? It is pretty common-sense math. How do you justify it? That's what I want to hear. How do you justify it?

The Chair: I'm going to have to cut you guys off. We've crammed a lot in. Denise, thank you very much.

If you want a quick response and you'd like to answer, it's up to you.

Ms. Denise Savoie: Thank you. I took that more as a speech than as a question.

I think I heard somebody say a child is a child is a child.

You threw out a lot of numbers, and I wasn't writing them down. If we're living in a society, for sure we're paying for some services that in some cases we don't use. I don't use police services on a regular basis and I'm sure you don't either, but I pay for them. As a society we collectively pool our resources to respond to needs that we consider to be essential or very important. According to the experts—experts, not politicians—early learning opportunities are sadly lacking in Canada, and we're described as...I forget what the word is in English, but needing a solid program to help those kids who would not have those advantages or those opportunities, and that's what we're proposing.

• (1635)

The Chair: Okay, Denise, thank you again.

We apologize for not having the time we need for this, but we need to quickly suspend so that we can set up our video conference. In no more than two minutes I would ask the members to be back, so that we can get right to our witnesses.

Denise, thank you for being here.

• _____ (Pause) _____
•

The Chair: We want to thank all the witnesses for being here today.

I realize we probably had asked you originally to go for seven minutes. If there's any way you could cut your presentations to five minutes, that would be helpful. If you can do five that's great, and we certainly won't cut you off. I will let you know when we're getting close to five minutes, and then you can determine what you're able to do.

Can you hear us via video conference?

A voice: Yes, I can.

The Chair: Perfect, thank you. Thank you for joining us today.

We'll start with Mr. Lévesque and Ms. Bélanger. You have five to seven minutes, and you're representing Quebec's Private Daycare Association. Thank you very much for being here today.

• (1640)

[Translation]

Mr. Sylvain Lévesque (President, Quebec's Private Daycare Association): Good day everyone.

The Association des garderies privées du Québec is pleased to present its point of view to the Standing Committee on Human Resources, Social Development and the Status of Persons with Disabilities in its consideration of Bill C-303, which passed first reading on May 17, 2006.

Bill C-303 is another step forward in the planned improvement of services to families in Canada. It is important for the 500 or so childcare centres in Quebec and for the association that represents them to provide information to the committee based on their invaluable contribution to the educational childcare service system that has gradually been established since 1997.

[English]

The Chair: Mr. Lévesque, I've asked a very difficult thing. I've asked you to get your presentation to five minutes, but the interpreters are having a hard time keeping up. Please slow down a bit. I know you're trying to get ten minutes into five, and I appreciate it very much.

[Translation]

Mr. Sylvain Lévesque: I will now speak about the \$7 a day childcare program which has been in operation in the province of Quebec since 1997. The family policy adopted by Quebec in 1997 is, in more ways than one, an innovative, forward-looking service model.

[English]

Is it okay like that? Thanks.

[Translation]

The policy, which deliberately breaks with the past, has meant improved circumstances for many Quebec families. As such, all concerned stakeholders can rightly be proud of the fact that the responsible minister has taken steps to implement most of the policy's key provisions, working closely with service providers.

Regulated day care services for children from birth to four years of age are offered either in a child care centre or in a family setting by service providers acting in accordance with the educational child care services regulations.

Child care services can be provided in two types of facilities that must have a license issued by the minister. Early childcare centres operate on a not-for-profit basis, while private, more conventional daycares have the status of legal entities.

Regarding Bill C-303 in general, the AGPQ is in favour of the bill which should increase the level of funding to different provinces, thereby allowing them to increase the educational childcare services offered, while keeping sight of the main objectives of Canada's policy on child care, and the needs of the public, and to improve the quality of services offered to parents.

Quebec's daycares are supportive of this legislative initiative for the following reasons: the proposed system is respectful of the provinces' primary responsibility for child care and family services; the priority consideration given to the family-work dynamic and to the development of quality learning and early child care programs, as well as the emphasis on the accessibility and universality of services cannot be denied; because the use of public funds is involved, the proposed training and appropriate accountability mechanisms are justified to ensure efficient use of these public funds as part of the fund transfer program involving the provinces.

In spite of all this, it's important that the provinces consult with all partners in the field in order to comply with this act and its attendant regulations.

Naturally, Quebec is exempted under clause 4 of the bill in light of the special and unique nature of Quebec's jurisdiction in this field. Quebec daycares fully support this measure and want their position to be made known officially when the association that represents them appears before the committee.

The AGPQ is surprised, however, to learn about clause 6 of the bill and to note the restrictions that would apply to for-profit educational childcare centres. It is surprised because Quebec has done business with all child care services, regardless of their legal status. If the government is bringing in regulations that favour accountability and quality services for all parents, then we have to object to this particular clause which maintains that the development of private daycares should be banned. At present, the Quebec government funds 33,000 spaces in for-profit daycares, where service quality continues to improve because the government has recognized the important role these centres play and has given them financial support to offer quality services to all children.

• (1645)

[English]

The Chair: Thank you very much, Mr. Lévesque.

We're now going to move, by video conference, to Ms. Elson. You've got five minutes, if that's possible, or as close to five as you can. Thanks.

Ms. Susan Elson (Executive Director, Davar Child Care Society): Thank you very much.

Good afternoon. My name is Susan Elson, and I represent the Alberta Child Care Network Association. I am also the executive director of Davar Child Care Society here in Calgary.

I would like to thank the committee for providing the opportunity to share the views of the Alberta child care community.

The Alberta Child Care Network Association is an umbrella organization, which was formally established five years ago but has been active since 1986. The association represents a significant number of child care centres and family day-home agencies in organizations across Alberta. Our membership includes both non-profit community-operated child care as well as private owner-operated programs. Collectively the members of our organization provide quality child care service to thousands of Alberta's children and their families.

The Alberta Child Care Network Association mandate includes promoting quality child care on behalf of the children and families of Alberta, supporting early childhood educators through training and education, examining and evaluating government policy and initiatives as it pertains to child care, and promoting public awareness and education as it relates to child care. I would like to clarify that "child care" in Alberta, as I'm defining it today, includes licensed and monitored child care centres and approved family day-home agencies.

I would also like to acknowledge the support and progress that Alberta Children's Services and the Alberta provincial government have provided to the child care community in our province.

I am speaking today to let you know of the Alberta Child Care Network Association's strong support for Bill C-303. In Alberta, as in every other province in Canada, we have struggled for decades to meet the high demand from families for high-quality, affordable child care services. We have watched as federal investments meant for child care have come and gone, some of them helping to make improvements, supporting minor initiatives, and some being invested in one-off programs, which have not had a lasting impact in building an early-learning child care system.

In the federal 2007-08 budget this year, Alberta has seen a cut in federal transfers of \$92 million, which was to be transferred to Alberta communities to help address the critical shortage of child care spaces, to address quality through the Alberta child care accreditation process, and to continue to improve the wages of early childhood educators. With no accountability mechanism, \$117 million was reduced to a mere \$25 million. This is why the Alberta Child Care Network Association supports Bill C-303, an act that would ensure that federal investments in child care are directed to further development of the early learning and child care system that Albertans, and indeed Canadians, need and want.

In Alberta we are struggling even more than other provinces with recruitment and retention of early childhood educators to care for children because of the horrendous labour force shortages in our province. Under-resourced child care centres continue to compete in a labour market that engages in bidding wars to pay much higher wages. Alberta's workforce is crippled by the lack of available child care spaces. Parents who wish to combine parenting and employment simply cannot find or afford the care they need to support them in their employment and/or training. The cost of living in Alberta is high. In most two-parent families, both parents must work just to afford a place to live. Child care is not a luxury for families; it is a necessity.

We have worked hard in Alberta to improve early learning and child care services. Our accreditation system has done much to improve the quality of early child care services in Alberta, but there is much more to be done. Alberta's children deserve better. They deserve the guarantee to quality that Bill C-303 will provide through the principles of quality, affordability, universality, and developmental programming.

In recognition of Alberta's significant aboriginal population, we would further urge you to dedicate federal funding to aboriginal governments to ensure that aboriginal families under federal jurisdiction receive comparable resources to build their own early learning and child care services.

While our membership includes both not-for-profit community-owned child care programs as well as private owner-operator programs, we recognize the need to build a public child care system much like our public education and public health care systems.

• (1650)

Child care simply cannot be left to the marketplace. We have seen how the market approach has failed not only families, but also the

committed operators who provide the services. Bill C-303 recognizes owner-operators as an important, if not critical, part of the foundation on which the system should be built. All of us, community-based and private, share the deep desire to provide high-quality, affordable, accessible, early learning child care services to Alberta's families. It's something that can only be achieved with the legislative framework that protects and supports the building of a system. Existing owner-operators are faced with the same challenge and will benefit from increased protected resources that will allow them to enhance the quality of their programs, pay substantial wages, and perhaps eke out a living that is more than an act of goodwill.

While the Alberta child care community has worked hard to achieve progress in many areas, the fact remains that significant financial investments by both the federal and provincial governments are required to build the child care system that is so desperately needed, not only in Alberta, but in Canada. Governments have an obligation to ensure that these investments are protected and publicly accountable. Therefore, we call on the members of the committee and the government to pass Bill C-303, the Early Learning and Child Care Act. I encourage you to support Bill C-303. It's the accountable thing to do.

Thank you so much for your time today.

The Chair: Thank you, Ms. Elson.

We're now going to Ms. Graham, from the Association of Day Care Operators of Ontario. Ms. Graham, five minutes, if possible.

Ms. Kathy Graham (Chief Executive Officer, Association of Day Care Operators of Ontario): I'm also here to represent the Canadian Child Care Management Association.

I want to address a few items that came up in the discussion earlier this afternoon. Of course I couldn't write fast enough to have my comments here.

This bill makes the premise that there is a need for spaces, yet this bill is determined to block expansion in a ready, able, and willing private sector. Home day care operators are self-employed. They don't give receipts and they don't pay taxes, yet this bill is prepared to give them a green light to expand. Even if home day care met regulations and tax laws, this bill is prepared to accept self-employed untrained people to share in the delivery of child care, but not a licensed professional child care centre that is privately owned.

Ms. Savoie stated that the bill did not make a judgment on parental choice, yet this bill is fully prepared to take away one of those choices.

It should be noted that in Canada, generally speaking, it is not the centre that is funded; it is the parent who receives a subsidy to purchase a service. Quite often I've noticed that people say it's the centre that is funded. We really need to make sure we understand what we're stating here.

When the child care service providers learned that child care had moved forward on the Liberal budget agenda, many felt elated with the thoughts that much-needed funding would help stabilize an industry that had been crippled by years of neglect and band-aid solutions, at every level of government. This elation quickly ended with the realization that a movement was being heavily funded to steer all the funding towards a monopoly, towards a public delivery system.

One has to wonder why the push is so heavy-handed. What is the real goal of those who push parents away from their choices of whether to stay at home, or have their child cared for by a relative, neighbour, or a regulated home or licensed centre?

To address this issue, over 200 service providers from across Canada met on December 18, 2004, for discussions and the resulting reinstatement of the Canadian Child Care Management Association. The Association of Day Care Operators of Ontario feels that you can be proud, as we are, to endorse and promote the adopted principles.

Both CCCMA and ADCO members work directly in the delivery of child care programs. Together, private and non-profit agencies, and centre-based and home child care agencies, embrace the quality of diversity. We believe parental choice is essential. Parents' rights to choose from an array of programs or to stay at home must be supported by all levels of government.

The core principles agreed to by the participants rest on the underlying understanding that all regulated and licensed child care centres and programs in Canada—private and non-profit—have a role in Canada's national early learning and child care system. They should be treated equally. We all want a level playing field, fair competition, and parental choice.

Representatives, who met, from child care organizations from British Columbia, Alberta, Ontario, Quebec, Nova Scotia, P.E.I., and Newfoundland and Labrador are about inclusion, not exclusion. A number of points were ratified by the members. I won't go into all of those. This detail will be in your documents that I distributed to you.

We also wanted to talk a bit about the private sector. As we know, it brings capital investment and creates partnerships with businesses in creating spaces.

We have a personal stake in the child care facilities. They tend to bring hands-on management and cost-effectiveness. We want enforcement of higher standards and we want healthy competition among services. This means our children and their parents have the choice of excellence.

Parental subsidies should follow the parent, thereby sending clear messages as to satisfaction and quality assurances. Entrepreneurs bring many areas of expertise. We have the ability and we are

motivated to work with the non-profit sector and government, at all levels.

I would also remind our committee that women represent 96% of the child care workforce. Child care is a key sector, which provides opportunities and development for female entrepreneurs.

• (1655)

Ironically, everything that private and non-profit operators bring to our great land.... A few individuals and researchers have been able to sidetrack you with topics that are destructive and costly. These funded groups have focused on ownership and trade issues, nothing else. Unlike all the other organizations represented by the CCCMA, our memberships are voluntary and our collective work is to raise the standards of care, professionalism, and the standards of our work environments. Our ambition is to see parents' rights upheld and to deliver a high-quality program when they need us.

Nowhere else in the world is a debate on ownership so prevalent. Nor is there anywhere else where the concept of "big box" day care is used as a scare tactic. Canada's child care discussion is often fraught with the notion that a coined phrase of "big box" day care will creep into our landscape should private operators be allowed to operate, and that the United States would jeopardize our system. Nothing could be further from the truth.

I've enclosed in your documentation a memorandum from the well-respected trade lawyer Larry Herman, of Cassels Brock, on child care and the trade agreement. His memorandum speaks for itself. In his opening remarks he states:

It is simplistic to claim that a system of private delivery of health care and/or child care services in Canada can be attacked under trade agreements as requiring the system to be opened up to any foreign, (i.e., U.S.) service providers. The spectre of a trade dispute under the NAFTA or the WTO is often used to exploit concerns over the ability of Canada or the Canadian provinces to legislate for the public good.

Big box day care is a scare tactic, nothing more. We currently have over 50% of B.C.'s child care in the private licensed sector: Newfoundland is at 85%, Alberta is at 75%, and all Atlantic provinces are treating all centres equally. Even with Quebec's \$7-per-day day care, not one big box day care has stepped foot in Canada.

From annual reports of the Child Care Information Exchange in the U.S., the largest private and non-profit operators in the U.S. have very limited interest in child care in Canada. Over the last few years that I've been following these reports, no one has made any direction this way. All continue to operate in the U.S., and those that have moved outside the U.S. have done so by the invitation of the countries.

• (1700)

The Chair: Ms. Graham, perhaps you could wrap up.

Ms. Kathy Graham: I work with the World Forum on Early Care and Education, and I'm heading to Malaysia next week, where I work closely with designing day cares with the largest organizations in the U.S. They are busy in Japan, Hong Kong, and developing countries. It goes beyond simple money but into philanthropic activity, where countries want impressively designed centres to attract big business—hence, the child care centre being built at Japan's airport.

I would like to make the point that on the ranking of Canadian child care's largest organizations, the YMCA is the single biggest operation in Canada, and there are just a few other non-profit organizations operating in excess of 20 programs. In Ontario we have one private operator who operates 16 sites, and that would rank them 28th on the U.S. chart. I'll point out that in the U.S. chart, the Knowledge Learning Corporation has 2,500 centres; the second ranking, La Petite Academy, has 643; and the ninth place has 88. I wanted to demonstrate the dropping that big box day care is—

The Chair: I'm going to have to cut you off there. Thank you very much.

Once again, we appreciate the witnesses trying to keep all their remarks short, given the time we have.

Ms. McCuaig, I want to thank you for being here. I know you're here on late notice, so thank you very much for being able to join us today.

Ms. Kerry McCuaig (Researcher, Better Child Care Education, Alberta Child Care Association): Thank you for allowing me to participate. I speak in favour of the bill.

In 2007, \$600 million will be transferred to the provinces and territories for early childhood services, with little accountability. Even the agreed to reporting for the \$350 million that's now being transferred under the multilateral framework agreement is not being met. Further, there's a signal from the federal government that reporting will not be in force for the \$250 million. Moreover, funding for research and monitoring has been eliminated, preventing anyone else from keeping track of where the funding is going.

Public opinion indicates that Canadians are prepared to pay to support the early learning and care of young children, but they want assurances that their money is going to the intended purposes. Funding of \$600 million is not enough to meet the needs of Canadian children and families, but it is enough to meet the demands that there be accountability for where the funding goes.

I'm going to focus on one area of the bill. I know you'll be hearing from others on it, but I will touch on the differences that the research shows between quality in not-for-profit programs and quality in for-profit programs. There has been considerable research in Canada and the United States on this issue. I'm going to confine my remarks to Canadian studies.

There has been a study from the city of Toronto, and two studies that have come out of Quebec. What we're seeing is a pattern that's remarkably uniform. Across the board there is more likely to be higher quality in not-for-profit programs than in for-profit programs. This is with the caveat that there are, of course, excellent for-profits—and I've been in them—and there are very poor not-for-profit programs. But we're talking about across the board.

The first data I will share with you is from *You Bet I Care!*. That looked at child care both in centre-based and family care centres in one territory and six provinces. Across the board it found about an 8% difference in quality between not-for-profit and for-profit programs. Some of the criteria are based on the differences in revenue per child, which accounts for some of the differences in quality. But the big issues were the differences in the educational level of the director, the number of trained early childhood educators in the program, the differences in child-to-staff ratio and the differences in group size. What this study found, in general, is that the not-for-profit programs were putting larger parts of their budget into staffing.

When we look at a major study that was done in Quebec in 2003, again we find that the not-for-profits are on the higher end of the quality spectrum. In this case there was a 22% difference between the CPEs and the for-profit programs. The findings are consistent: the not-for-profit programs pay a higher proportion of their wage bill to trained staff than the commercial operators; the wages are higher; and the teachers are more likely to have a college education, more likely to have taken part in regular professional development training, and they have more experience than teachers in the for-profit system.

The City of Toronto is relatively interesting. Outside of the province of Quebec, it operates the largest child care system in the country. They have their own active monitoring system. Again, their findings are that the non-profits are much more likely to put their revenues into hiring teachers who are better trained and to pay them higher wages.

Just a point that we come back to again and again, when we look at other research we find that the difference in child care is the staff. You have good staff. You have trained staff. You have staff who aren't overworked and who are reasonably compensated. That makes the difference between a good quality program and a poor quality program.

Another Quebec study is a longitudinal study on child development, which collected data on children who were two and a half to five years old in a number of non-parental care settings, both regulated and non-regulated. It found in general that quality was higher in the CPEs than in the for-profit programs.

● (1705)

One thing I would like to stress is that across the board, although these studies are finding a difference, overall they are finding that the quality of programs is not enough to support the developmental outcomes of children. This is why those of us in the field are after you a lot for more funding for child care, not only for more child care, but also to improve the quality of the care that is in the field.

Why should we care about the quality? Why isn't it something that parents on their own should monitor? Well, first and foremost, these are public dollars, and it's a question of accountability. And there is now a critical mass of research from a number of fields, including the neuro and behavioural sciences, and from social scientists and economists, documenting that the early years are critical to human development; it's these years between conception and age five that set patterns for health, education, and behaviour. They have a lot to do with the quality of our future population, and will in turn impact on diversity, productivity, and the quality of our democracy.

We know that 25% of five-year-olds start school without being prepared to be there; and there is a very strong relationship between school readiness and the likelihood a child will complete high school. We all pay when kids don't complete high school. Some 9% of Canada's adult population leaves school without a high school diploma. We find them scoring at the bottom levels in international literacy testing, and although they are a small percentage of the population, they draw on 35% of social transfers.

Child care is a woman's field, but unfortunately I have to quote from the guys when I argue for its benefits. Let me pull out some names: David Dodge and Tom d'Aquino, have both come out publicly in support of more investments in child care. This isn't because they're soft guys, but because they see the benefits of it.

In 2000, Dr. James Heckman won the Nobel Prize for his work on cost-benefits of investing in early childhood education. He found an eight-to-one return, higher than investments in any other stage of human capital. The World Bank is telling its members that if they want to invest wisely in human development, the years to do it are between zero and six.

Canada has a lot of catching up to do. This bill will merely ensure that the small investments we have made are used wisely.

• (1710)

The Chair: Thank you, Ms. McCuaig.

Just for those of you who do not know Ms. McCuaig, because she is not on the agenda, Ms. McCuaig is the co-author of *Better Child Care Education* and was a principal researcher for *Early Years Study 2: Putting Science into Action*, a study on the impact of the years zero to six on child brain development.

Thank you once again for being here today.

We're going to get started with our first round of five minutes, and we'll see how we make out here.

Ms. Dhalla, go ahead.

Ms. Ruby Dhalla: I'll try to keep it to five minutes.

Thank you to this round of presenters.

I want to ask a few questions of Ms. Elson, who's joining us by video conference. Could you perhaps tell our committee how many members you represent?

Ms. Susan Elson: We represent 30 partner organizations. We're currently looking at amalgamating under one umbrella to have one child care organization within the province. So of those 30 organizations, we represent approximately 250 day care centres and about 70 family day-home agencies.

Ms. Ruby Dhalla: With that type of network, I'm sure many of your members know, or perhaps were excited to hear in the last election, when the Conservatives were elected, that the Conservatives promised to create 125,000 child care spaces, in addition to the universal child care benefit. I believe it was supposed to be 25,000 spaces to be created over a five-year period.

Have you in Alberta, since you have so many Conservative members elected in your province, seen the creation of a single space in the last 15 months, versus any other province in the country?

Ms. Susan Elson: We have not seen the creation of a single space in Alberta.

Ms. Ruby Dhalla: We thought they just didn't like us in Ontario. I wasn't sure what was happening out in Alberta.

In terms of the actual spaces that would have been created under the previous Liberal agreement on early learning and child care, how many new spaces would there have been in Alberta for children wanting to go to a space, consistent with the principles of the quad?

Ms. Susan Elson: I have no idea. I don't have an answer to that question.

Ms. Ruby Dhalla: Have your members come forward in terms of the impact they have felt from the cancellation of the early learning and child care agreement?

Ms. Susan Elson: As I stated in my report, we're very fortunate in Alberta to have the support of our provincial government. With Alberta Children's Services, we have been continuing to work on our accreditation system and on securing quality within the existing programs. We have certainly talked to Alberta Children's Services and to our other government representatives, who are interested in what that \$90 million would have meant to us. Whether or not that could have created any spaces, it would certainly help the recruitment and retention issue even further. Even though we do have salary enhancements currently in place, that additional \$90 million could have meant a great deal to us.

Ms. Ruby Dhalla: In regard to the recent reallocation of \$250 million, going from businesses to the provinces for the creation of spaces, are you aware of whether the Alberta government will have any accountability imposed by its federal counterpart to ensure the creation of spaces?

• (1715)

Ms. Susan Elson: I do not, no.

Ms. Ruby Dhalla: So you still don't know whether there will be a single space created with that \$250 million being handed over to the provinces?

Ms. Susan Elson: Correct.

Ms. Ruby Dhalla: Thank you.

The Chair: Thank you, Ms. Dhalla.

I will now move to Mr. Lessard. Five minutes or less would be great.

[Translation]

Mr. Yves Lessard: Thank you, Mr. Chairman. I'd also like to thank our witnesses for joining us this afternoon to present their views on Bill C-303.

Speaking more directly to Mr. Lévesque, Ms. Bélanger and Ms. Elson, I'd like to say that despite your status within a so-called bipolar system, I appreciate the fact that you have overcome this situation and emphasized the positive side of this for society. You have put your personal interests aside. I appreciate that very much, particularly as your experience with the existing system is well recognized today. That doesn't take away from the fact that you have rights and interests to defend.

As parliamentarians, we also must gather information from all interested parties. Recently, on April 20 in fact, we heard from the Canadian Federation of Independent Business which voiced an entirely different opinion. Yet, it also professes to speak on your behalf. Its findings were at the opposite end of the spectrum. It noted the following:

To ensure that new daycare spaces can always be created on the basis of demand, we urge you and your committee to reject this bill and ask that all jurisdictions work together to ensure [...]

Am I to understand then that the federation is not speaking for you and that you distance yourself from this position?

Mr. Sylvain Lévesque: Most certainly. The Canadian Federation of Independent Business represents maybe 80 or 90 daycares. Our association, on the other hand, represents 400 private childcare centres in Quebec out of a total of 543, if memory serves me well. We're not rejecting this bill. The private sector has contributed to the system that is now in place in Quebec. Without its help, we wouldn't have 200,000 spaces today.

I wanted to respond to the woman who earlier had a question for the experts who have done quality studies in Quebec. In 2003, I sat on the committee involved in a survey, *Grandir en qualité*, on the quality of educational childcare. When experts examined the quality of daycare services in Quebec at the time, by law, one of every three childcare workers had to be a certified early childhood educator, while in the case of public daycares, the ratio was two certified early childhood educators for every three childcare workers. When a government enacts regulations that go against the best interests of children, obviously quality can vary from one system to the next.

The association would like the rule in place in Quebec, that is two certified early childhood educators for every three childcare workers, to be the industry standard. Since the rule was first introduced in Quebec, the quality of services has improved. If the private sector is given an opportunity to prove itself, to develop and to really work

together with the government, anything is possible. If private daycares are required to meet the same quality and development standards, then the development of the system is controlled. In truth, Quebec has been able to control the growth of daycares through the creation of regional committees. All stakeholders, including unions, have had a say in where investments would be made and new spaces created.

Therefore, it's a myth to say that the private sector cannot be a part of the system and that it provides services of a lesser quality. Everything depends on system requirements and on the regulations with which service providers must comply.

Mr. Yves Lessard: From what you've said in the past, am I correct in saying that you have no objections, provided that the State pays for the services? The State can gradually assume a bigger role, but in the meantime, the sector steps in to fill unused space. In other words, you don't want to remain on the sidelines. You want to be a player.

Mr. Sylvain Lévesque: We follow the rules of the game. We have managed to change the philosophy of the private sector in Quebec since 1997. We agreed to the \$5 a day policy—it's now \$7 a day—and we agreed to follow the rules of the game, since we do receive state subsidies. That being said, we still operate on a for-profit basis, albeit according to strict accountability rules, and we must comply with the same laws and rules as public daycares.

You tell me, where is the problem? A parent who shows up at my daycare doesn't ask if mine is a for-profit entity. He asks if my daycare provides quality services and programs. He could care less if I operate a conventional daycare or an early childhood centre. All he's concerned about is getting quality services for his child. If government standards recognize quality, then where is the problem in giving everyone an opportunity? Canada is an inclusive society, after all.

• (1720)

[English]

The Chair: Thank you very much, Mr. Lessard.

I'm sorry, I thought we could do a couple more. We are going to have to cut it at that.

I want to thank all the witnesses for being here. We have votes. We're not in the precinct. We've got to move across.

Mr. Mike Lake: Point of order.

I just wanted to correct some of my math because I was racing so fast before. I want to correct that 1.9 million kids times \$8,000 is \$15.2 billion per year. I just wanted to correct that for the record.

The Chair: Thank you very much.

I thank all the witnesses for being here.

Just before the committee goes, I gather that we have consent for one day of hearings on Bill C-284. Is that okay? Thank you very much.

With that, the meeting is adjourned.

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