

Child Care Advocacy Forum

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BC Association of
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Coalition of Child Care
Advocates of BC

Early Childhood
Educators of BC

School Age Child Care
Association of BC

Westcoast Child Care
Resource Centre

Western Canada Family
Child Care Association
of BC

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The Federal Throne Speech What's At Stake for Child Care?

April 2006

On April 4, 2006 the Conservative federal government delivered its first Throne Speech. As expected, the Speech repeated two 'child care' campaign promises but was silent on the 'promise' to cancel existing federal-provincial child care agreements as of March 31, 2007. Here's what's at stake...

Direct Financial Support to Parents

The Throne Speech says that the Government "will help Canadian parents, as they seek to balance work and family life, by supporting their child care choices through direct financial support."

This is a reference to a key plank in the Conservative election program – a **taxable family allowance** of \$100 a month paid directly to parents for every child under the age of 6. This allowance will be taxed as income for the lowest earning parent in a family. It will also affect eligibility for other income tested benefits such as the National Child Tax Benefit, the GST Rebate and BC's Child Care Subsidy Program.

As a result, very few families will actually get \$1200 a year and families with a stay-at-home parent will benefit more than families with both parents in the workforce. The Caledon Institute estimates that the after tax benefit for a one-income family with an annual income of \$100,000 will be \$1,032 while a two-income family earning \$30,000 a year will only net \$460 a year. This is clearly not fair. It rewards families who can afford to have a parent at home and penalizes families where both parents work.

Even before taxes, this allowance does not come close to covering the cost of quality child care. Nor does it do anything to create new quality spaces.

Income supports for low and moderate income families are important and even this minimal benefit will help some. But – this is NOT an effective child care program. Contrary to the claims – it does not help work-family life balance and does not support real choice for most Canadian families.

Creating Child Care Spaces

The Throne Speech says that "In collaboration with the provinces and territories, employers and community non-profit organizations, (the federal government) will also encourage the creation of new child care spaces."

This is a reference to the second plank in the Conservative election platform – an ill-defined promise to provide **tax incentives** to businesses and community organizations to create new child care spaces.

This approach will do little to create new quality, sustainable child care spaces. It only addresses capital costs but does nothing about the need for on-going, stable operating costs. Experience across Canada clearly demonstrates that few if any private sector employers are prepared to assume the long-term financial liability of operating child care. And, tax incentives are of no use to non-profit organizations but could well open the door to multinational big box child care chains in Canada.

Federal-Provincial Early Learning and Child Care Agreements

The Throne Speech is silent on the Conservative 'promise' to cancel the existing Federal-Provincial Early Learning and Child Care (ELCC) Agreements as of March 31, 2007.

Under the existing ELCC Agreement, BC was to receive \$633 million over 5 years from the federal government for regulated child care. In the first year (2005) BC received \$92 million but only managed to spend \$55 million on increases to the child care subsidy program (eligibility and rates), an across the board increase to the Child Care Operating Fund and additional child care capital funding. This year – BC received an additional \$85.6 million under the ELCC agreement but has yet to publicly announce its spending plans.

If the federal government cancels the ELCC Agreement, BC will lose **\$455 million** in dedicated child care funds. Yet, the BC government has been silent. They have not released the results of the Fall 2005 consultation on child care; they have not released the long-promised Child Care Action Plan and they have not joined other provinces in calling on the federal government to honour the ELCC agreements.

We Are Making A Difference

Our efforts to protect multi-year child care funding are having an impact. The federal government is starting to realize that the majority of Canadians voted for political parties that support public investment in child care. Replacing federal-provincial child care agreements with a meager taxable family allowance is not Canadians' priority.

Our job is to keep the pressure on!

Here's what you can do:

- Collect as many signatures as possible on the "CODE BLUE for Child Care" Open Letter to the Prime Minister and Premier. Go to www.buildchildcare.ca to sign on. Download hard copies and collect signature in your community. Organize a 'sign-in' at the local mall, set up a sign-up table at your child care program and send the link to friends, family and community organizations.
- Call your MP and let them know you expect them to stand up for child care. Tell them that families need income supports and publicly funded quality child care. Canada can and should do both. MP contact information is available at http://canada.gc.ca/directories/direct_e.html.
- Call you MLA and let them know you expect BC to stand up for the child care agreement they signed. Tell them you hold the province accountable for action on child care with or without federal funds. MLA contact information is available at <http://www.legis.gov.bc.ca/mla/3-1-1.htm>.
- Lobby your Municipal Council and School Board to pass a resolution supporting the child care agreements. Sample resolutions are at <http://www.buildchildcare.ca/www/buildchildcare/20379>.