

**Child Care Services in Canada:
One Recommendation with Multiple Benefits**
Child Care Advocacy Association of Canada Federal
Pre-budget Consultation Submission 2008

Executive Summary

As the federal government seeks input into the preparation of its 2009 budget, **the Child Care Advocacy Association of Canada (CCAAC) continues to recommend strong federal leadership in working with the provinces and territories to develop child care services that contribute to children's healthy development and support families to balance parenting and work responsibilities.**

Since 2006, the current federal government has cut federal transfers to the provinces and territories that specifically supported child care services. The government claims that it is spending more than ever before to support early learning and child care but only about 10% of its spending – or \$600 million– is transferred to the provinces and territories specifically for child care spaces and services. This represents a reduction of 37% from 2006 (\$950 million) and 61% from the previous government's commitment for 2008 (\$1.55 billion). It also leaves Canada last among OECD countries in terms of support for early learning and child care programs.

As a result of the current approach, today we are witnessing higher parent fees, minimal progress on staff wages, limited expansion of spaces, and an open door to corporatized child care services.

This is especially disappointing given that Canada has the evidence, the rationale and the tools it needs to build the child care system that Canadian families want and need, as outlined in the CCAAC's 2008 budget submission "Priority for Prosperity". We have plans with timelines, targets and key system indicators for achieving our goals. What we do not yet have is a significant corresponding commitment from the federal government to put the pieces of the puzzle together.

We therefore recommend that the federal government adopt a focused public investment strategy. In order to realize the full social and economic returns of this federal investment in child care services, provinces and territories will be accountable for ensuring that their plans specifically address the needs of working families and their children.

System building can start with 3-5 year-olds. The CCAAC estimates the gross annual investment required to achieve this first benchmark at \$5 billion and calls for incremental federal transfers starting with \$1.25 billion in 2009.

The *net* investment is significantly lower given the immediate returns from increased income taxes, and fits well within Canada's existing fiscal framework. **As we continue to do with each federal budget, the CCAAC strongly recommends that the federal government make these necessary investments in a pan-Canadian child care system and that it provide leadership and ensure accountability as the system is built at the provincial and community levels.**