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FEDERAL AUDITOR'S REPORT ON CHILD CARE INDICATES NEED FOR PROGRAM REFORM

For Immediate Release

October 21, 2025--The Association of Day Care Operators of Ontario (ADCO), the industry association for Ontario's independent licensed child care providers, both commercial and not-for-profit, wishes to thank the Office of the Auditor General of Canada for its [report](#) on the Canada-Wide Early Learning and Child Care System (CWELCC).

In May of 2024, ADCO, supported by a number of other child care operators' associations, had requested that the Office of the Auditor General review the CWELCC on the grounds that it was not on track to deliver universal access to \$10-per-day child care for all children aged five and under, no matter where in the country they live. At the time, many advocates for the program claimed that its shortcomings were just growing pains. "The Auditor General's report indicates that the issues run deeper than that," says Andrea Hannen, ADCO's executive director.

"It seems that back in 2021, the federal government was in a hurry to launch its \$10 per day child care program in advance of the federal election, even though most provinces had well-established child care systems of their own already in place. Today's report acknowledges that despite the diversity of these systems, the funding Agreements the federal government signed with each of the provinces and territories (with the exception of Quebec) were very similar. Rather than taking the time to consult with provinces and territories about how they could build on what they were already doing, the federal government sought to impose a system that prioritized the \$10 per day price point." The Auditor General's findings appear to indicate that this was done without sufficient thought about how such a transformation would take place and how it would be monitored to assess whether or not the new national system was delivering on its other promises, including quality, flexibility, inclusion and access.

"Staffing is a prime example," says Hannen. "Looking back to 2021, there were serious child care staffing shortages in most parts of the country. It would have made sense to launch the parts of the program aimed at expanding the child care workforce before creating any additional demand for care by lowering fees. Dealing with staffing first would have helped prevent waitlists from ballooning by ensuring existing child care rooms weren't sitting vacant because there weren't enough educators to run them. The federal government also should have reviewed its own immigration policies and made it easier for Canadian-trained child care professionals to stay and work in Canada after graduation. They still haven't done that and we're four years into the program."

While ADCO accepts the findings of today's Auditor General's Report, it notes that further investigation and reforms are urgently needed to make the CWELCC work better for families. "We shouldn't imagine that how the program is currently structured is by any means optimal," says Hannen. "It's really just the previous federal government's first try at creating a national, flat-rate child care system. Giving provinces and territories greater flexibility is an important starting point for reform--particularly when it comes to meeting the program's space creation goals. We also need to reduce the paperwork burden on child care operators, so they can focus on delivering top quality experiences for families and staff." ADCO's recent pre-budget consultation brief offered the federal government a number of [practical suggestions](#) for reforming the CWELCC to enhance its financial sustainability.

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Established in 1981, ADCO is the industry association for Ontario's independent licensed child care centres, both commercial and not-for-profit. Independent licensed child care centres are those that are not run by public sector entities such as municipalities or school boards, or by large multi-service agencies such as YMCAs. Most are small businesses, owned and operated by women. For further information, please contact: the Association of Day Care Operators of Ontario (ADCO) at admin@adco-o.on.ca or Andrea Hannen at 1-877-685-4288, ext. 1.