OPINION > VIEWPOINTS

Pre-Election Promises to Extend \$10-a-Day Child-Care Scheme Could Be Costly





A young boy plays at a daycare centre in Langley, B.C., in a file photo. The Canadian Press/Darryl Dyck



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Commentary

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Launched as part of budget 2021 and marketed to families as \$10-a-day child care, the Canada-Wide Early Learning and Child Care program (CWELCC) has largely been a failure. To date, fewer than half of Canadian families with young children can access it. A longstanding shortage of qualified staff and the bureaucratic complexity of phasing out private sector child-care operators—both commercial and not-for-profit—have thwarted the program's expansion.

Since the prorogation of Parliament, the federal Minister for Families, Children and Social Development, Jenna Sudds, has approached at least one province with an early offer to "extend" its child-care agreement beyond its 2026 expiry date. The minister may be floating similar offers to other provinces and territories. If any take the bait, it will be harder for any newly elected federal government, including a Liberal one, to make changes to the failing program. Changes that could help more families with their child-care expenses and accelerate the creation of new spaces, while also reducing costs for taxpayers.

It's not clear how the feds would pay for the proposed extensions without another federal budget being passed. Funding them could be part of the Liberals' election strategy. A similar scenario contributed to their victory the last time around. Depending on voters' awareness of the program's many shortcomings, it may not be easy for opposing parties to argue against these extensions.

Currently, the CWELCC is being funded with roughly \$30 billion in new federal debt and a series of five-year agreements with individual provinces and territories. For the many woman-owned small businesses that have been excluded from the program or had their provincial funding cut to help pay for it, the 2026 expiry of the CWELCC agreements provides a glimmer of hope. So too for the two-thirds of families with young children who are now paying higher taxes, but deriving no benefit from the program at all.

Objective data regarding the CWELCC's results is hard to come by.

Much of the "research" regarding the program lacks credibility. It has either come through federally funded special interest groups that advocated for the CWELCC's creation or from individuals who are paid to serve on the federal government's National Advisory Council

on Early Learning and Child Care. The Fraser Institute, the Macdonald-Laurier Institute, and Cardus have all done some strong independent analysis, but the federal government itself has relied heavily on provincial reporting regarding program outcomes.

One of the most important perspectives on the program—a formal review by the Auditor General of Canada—is expected sometime this year. The auditor general's findings should be considered before any more taxpayer funding is allocated to the CWELCC.

The bureaucratic complexity that is written into the current CWELCC agreements warrants further scrutiny, both for its costs and its negative impact on families, particularly in Ontario. In 2024, Ontario Education Minister Jill Dunlop said the province was spending more than three times what the feds were on Ontario's CWELCC implementation. Yet, the net increase in the number of centres in Ontario in 2023/24 was just 60, the fourth-lowest in a decade.

The warning signs were apparent within weeks of Ontario signing onto the program in 2022. Popular job search sites started featuring postings by municipalities for new staff to administer the federal funds. Many offered full-time salaries and benefits that far exceed those earned by Early Childhood Educators (ECEs), most child-care supervisors, and some centre owners.

In 2023, the Association of Day Care Operators of Ontario (ADCO) told the House of Commons Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities that CWELCC paperwork cost centres four hours per week of a supervisor's time. ADCO explained how having less time to support front-line staff was compromising both child-care quality and job satisfaction for ECEs.

Also in 2023, Lanark County abruptly cut some 300 families from the program just two weeks before the start of the school year. Freedom of information requests later revealed that differences in how provincial and municipal bureaucrats interpreted the funding guidelines for operators were at the root of the disruption. More recently, several Toronto-based day cares notified parents they were leaving the

program because of possible funding shortfalls. They returned a few weeks later after getting further information from their municipality, but no longer had spaces for all of the children who had been previously enrolled.

Given that the \$10-a-day child-care scheme has also failed to deliver on its promises in other parts of the country, provinces and territories should use the opportunity of a forthcoming federal election to push for changes that would make it less bureaucratic and more costefficient. If they blindly accept "extensions," voters could be stuck with more of the same and their children and grandchildren could be stuck with the bills.

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