

# Fed child-care funds not a magic fix <sup>[1]</sup>

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## EXCERPTS

Manitoba's approach has failed, and a new approach to organize and fund child care is needed.

If throwing more money at taxpayer-funded child care, as the Trudeau government is proposing, was all that was needed to eliminate — or even mildly reduce — chronic shortages in the system, the problem would have been solved long ago.

But it hasn't.

Yet governments still insist that by injecting increasing amounts of tax dollars into the status quo, wait times will magically fall and would-be parents would no longer have to put themselves on wait lists before their children are even conceived.

That deceit continued this week with the federal Liberal government announcing \$7 billion over 10 years for child care to create a “fully inclusive” — whatever that means — child-care system. The feds don't run child-care services. But like health care, they try to wiggle their way into provincial jurisdictions they know are high-priority areas for Canadians. So instead of transferring money through the usual block funding mechanisms like the Canada Social Transfer, the federal government comes up with these public relations stunts to try to convince Canadians that they have their finger on the pulse of ordinary families.

The latest dog and pony show — called the Multilateral Early Learning and Child Care Framework — transfers money to the provinces to expand child care capacity with a focus on low-income families, indigenous people, single-parent households and people who work non-traditional hours. It's a relatively small amount of money when spread over 10 years, an average of about \$700 million a year.

To put it into perspective, Ottawa will send about \$13.7 billion to the provinces this year in CST money, block funding earmarked for a variety of social and education services, but money provincial governments can spend any way they want.

The Trudeau government's new child care money represents about 5% of that annual allotment.

And what will this money really do? Not much. It will supplement what provinces already spend on child care. The Liberals have long abandoned the idea of creating a “universal” child care system, an entirely unrealistic concept that would have either bankrupted the federal treasury or required steep tax hikes to finance. Instead, they're now satisfied to make small co-payments to provinces to help pay for existing child-care programs while pretending to be major partners in early childhood learning.

In a province like Manitoba, which maintains the lowest regulated parent fees for child care in Canada outside of Quebec, the money will have a minimal impact. Manitoba's share of the new federal dollars is about \$15.5 million a year, or 9% of what the province expects to spend on child care this year.

The Manitoba government budgeted close to \$176 million for early learning and child care in 2017-18, up from \$170 million the year before. An extra \$15.5 million would boost that appropriation to about \$191 million. That would buy a few more spaces and maybe help with some capital expansions. But in the grand scheme of things, it won't even put a dent in the more than 16,000 people waiting for a child-care spot in Manitoba, a number that grows in leaps and bounds every year.

Manitoba more than doubled its funding to child care from 2005 to 2015 from \$74.2 million to \$162.7 million. And what did taxpayers get in return for that 219% increase in funding? Not much. The total number of child care spots during that period increased by only 32%, a shockingly poor return on investment.

There were a total of 34,285 spaces in Manitoba in 2015, up from 25,984 in 2005.

Despite that, governments like the Trudeau administration continue to peddle the falsehood that incrementally funding the status quo will somehow bring the supply of child-care spaces closer to demand. It won't. History has proven that.

Provinces like Manitoba need an entirely new approach to how they fund and organize child care, which should include more home-based and private options and should tie child care fees to family income. The government-dominated, price and wage control system that we

have in Manitoba has failed miserably. And a few extra federal dollars won't change that.

-reprinted from Winnipeg Sun

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