

Freeland says Liberals open to provincial child care demands, draws line around fees ^[1]

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EXCERPTS

OTTAWA - Finance Minister Chrystia Freeland sent a warning to provinces about her budget's pledge on child care, saying she would negotiate in good faith but not bend on reducing parental fees, as several provinces questioned the tight strings on the promised new spending.

Prime Minister Justin Trudeau backed up that warning Tuesday with one of his own: provinces must agree to required targets on affordability, quality of care and training of early childhood educators if they want a share of federal child care funding committed in Monday's federal budget.

Provinces that don't want to agree to those conditions, won't get any federal funding, he said.

The budget outlined \$27.2 billion over five years, starting this fiscal year, in new spending the Liberals want to send to provinces to subsidize daycares.

The specific strings attached on the spending pledge would dictate what forms of child care could be eligible for federal funding, and how much parental fees must drop over the next five years.

On Tuesday, Freeland said she had spoken with some provinces and territories, but didn't go into more detail. She said she wanted to give them time to read the budget.

She said the government wants to understand what each province and territory needs, but underlined the budget's aim to have child-care fees come down in the coming years.

"Although Canada is very, very diverse in the provision of early learning and child care ... our goals are now national," Freeland said at a news conference in Ottawa.

"Every Canadian parent five years from now, everywhere in the country, should have access to affordable, high-quality early learning and child care for an average of \$10 a day."

Later Tuesday during an interview with Edmonton-based online talk show host Ryan Jespersen, Trudeau was asked what would stop a province from simply passing along the federal funding to parents to spend as they see fit.

"That is exactly the question that we have spent the last many, many months wrestling with," he said.

"We have very, very clear targets around affordability, around quality, around training of early childhood educators that are going to be requirements to the bilateral agreements that will be signed by the provinces who want to move forward on this."

Trudeau added: "Those who aren't interested, well, there's nothing we can do to force them to do it but they won't be getting the resources that will come through a bilateral deal to move forward on child care."

Trudeau said earlier Tuesday that Quebec will receive funding in recognition of the existing provincial system upon which the federal program is based.

The warnings marked the opening lines in negotiations the Liberals must have with provinces to create a national system if Parliament approves the minority government's first budget in two years.

The Liberals hope to build on previous child-care funding deals first signed four years ago that broadly outlined how spending tied to the Trudeau government's first foray into daycare needed to be used.

A key goal coming out of the initial three years of the \$7.5-billion, 11-year spend was to create or maintain 40,000 spaces, but Freeland's first budget doesn't say how many spaces the new pledge would create, nor estimate how many spaces might move from home-based or private care to non-profit settings.

Expanding spaces needs to go hand-in-hand with fee reductions, otherwise long wait-lists at daycares would become even longer, said David Macdonald, senior economist with the Canadian Centre for Policy Alternatives.

“There are not specific targets on the number of child-care spaces created. Hopefully, there will be soon,” he said.

“That’s a big part of a national child-care plan, particularly if your goal is to reduce fees.”

How the money can help create more spaces or assist with wages for child-care workers, as the budget alluded to, were key issues for Nova Scotia Premier Iain Rankin, who was open to the new funding.

Similarly, Manitoba Premier Brian Pallister said he wanted details, but voiced skepticism about Freeland’s vow of collegiality after the Liberals ignored provincial calls for more health-care spending.

The budget’s child-care spending pledge would see the government increase funding over time before matching provincial spending on child care.

Provinces aren’t being asked to match costs over the ramp-up, if they sign on to five-year funding agreements starting this fall, said economist Armine Yalnizyan.

“I’m very hopeful that for the first time with political will, as well as money, and ambition at the table, we are going to get to where we need to go,” said Yalnizyan, who sits on Freeland’s task force on women in the economy.

“The only hiccup is going to be intransigent provinces.”

Ontario Education Minister Stephen Lecce said any long-term support needed to be “flexible to respond to the unique needs of every parent, not a one-size-fits-all approach.” In Alberta, Finance Minister Travis Toews said any funding deal needs to uphold the “fundamental principle of parental choice.”

Allowing the money to go anywhere but to high-quality group care would water down the economic benefits, said economist Jim Stanford.

The budget estimated the spending could help 240,000 Canadians, largely women, join the workforce, but Stanford’s own work suggests a larger bump in employment.

“Even conservative provincial governments are going to rake in billions of dollars of new revenue because of this program,” said Stanford, director of the Centre for Future Work at the Australia Institute. “They will be putting ideology before reality if they try to stop this.”

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– With files from Kevin Bissett, Keith Doucette, Shawn Jeffords, Chris Purdy, and Steve Lambert.

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