

The divisive issue that might penetrate your sunny day? Subsidized child care ^[1]

The Liberal and Conservative proposals address parents' No. 1 worry, but it will be the details that provide votes

Author: Ivison, John

Source: National Post

Format: Article

Publication Date: 18 Aug 2021

AVAILABILITY

Access online ^[2]

EXCERPTS

As politicians traverse the country promising bridges where there are no rivers, most Canadians are squeezing the last drops from a drowsy summer, in a state of passionate disinterest.

If they are aware there is an election going on, it is unlikely they are up to date on its pressing issues, mainly because there are none.

That said, the release of the Conservative platform has unearthed a point of policy where the two main parties are not in violent agreement — child care. It may prove significant since it plays into the cost-of-living debate that voters say most concerns them.

In its glossy, 83-page policy document — replete with an ill-advised cover picture of leader Erin O'Toole in a tight T-shirt, above the equally ill-advised headline *The Man With The Plan* — the Conservatives propose to kill the Liberal party's \$30-billion early learning and child care program and replace it with a refundable tax credit. The Conservatives argue that a "top down, one-size-fits-all" program is not the answer and parents should decide what's best for their family. Their proposal is to convert the existing Child Care Expense Deduction into a tax credit that refunds up to 75 per cent of the cost of the child care deduction for low income families (or as little as 26 per cent for families earning more than \$162,975).

This is the culmination of a long-standing ideological tussle between Conservatives and Liberals over child care. Under Stephen Harper, the Conservatives killed the national daycare program that had been negotiated by Paul Martin's government, in favour of sending cheques directly to parents. Ironically, the Trudeau Liberals adopted the same tactic when they introduced the big-ticket Canada Child Benefit — a program that has proven hugely popular.

But the Liberals have always hankered to revive the national plan and the pandemic gave them the excuse to dust off the proposal and open negotiations with the provinces to provide universal \$10-a-day daycare by 2025-26. The massive sums being offered by Ottawa to provinces to incentivize them to create new spaces means eight provinces and two territories have already signed up and Ontario's education minister, Stephen Lecce, said this week his province is "actively interested" in a deal.

Justin Trudeau and Finance Minister Chrystia Freeland were in the Conservative-held seat of Markham-Unionville, Ont., on Tuesday, a riding in which MP Bob Saroya has defied political gravity by resisting the red wave that swept most of Toronto's suburbs.

But this is a part of the country where child care costs can reach \$20,000 a year per child.

The Liberals are secretly delighted that the Conservatives have amplified the differences between the parties by threatening to scrap their plan, even while Freeland declared it "heartbreaking" and "disrespectful to working mothers."

Trudeau described the Conservative plan as "inexplicable" and "absolutely unbelievable."

"The results are in — this is not just a social program, it's an economic program, taking a she-cession and turning it into a she-covery," he said. "The Conservatives propose a warmed-over Stephen Harper approach of boutique tax credits that doesn't give support for families."

This is not just a social program, it's an economic program, taking a she-cession and turning it into a she-covery

PRIME MINISTER JUSTIN TRUDEAU

The beauty of the Liberal plan is that it is easy to understand. Agreements with provinces such as B.C. pledge \$10-a-day daycare by the end of the five-year agreement, with a 50 per cent reduction in the average price of fees for kids under the age of six in regulated care by the end of next year. B.C. has said it will create 30,000 new regulated spaces within five years — though the precise terms of the deal are not

public.

Skeptics note that the Liberals have been promising universal daycare since at least 1993 and that for many parents — shift workers, for example — a regulated daycare spot is as useless as a chocolate teapot.

There are also availability issues. As parents in Quebec will testify, you need a golden ticket to find a subsidized spot in a province that boasts of its cheap daycare but has a wait list of 51,000 families.

The Conservative proposal is convoluted but is a clear improvement on the status quo. The existing Child Care Expense Deduction allows families to claim up to \$8,000 per child from the taxable income of the lower earning spouse — which for most families means a refund of around \$1,200. Top earners likely won't see much difference under O'Toole's plan, but median income households would be better off by about \$4,000 a year.

If you decide to go with a nanny or want an alternative arrangement, the Liberal plan doesn't do anything

JAMIE GOLOMBEK, CIBC PRIVATE WEALTH MANAGEMENT

That would help families in cities such as Winnipeg, where average annual child care costs are around \$5,400, according to the Canadian Centre for Policy Alternatives, but it barely makes a dent in the \$15,600 per kid paid by parents in Markham.

For those families, the Liberal plan promises to make life much more affordable — hardly surprising, given the tens of billions of dollars they have pledged to throw at it.

Jamie Golombek, managing director of tax and estate planning at CIBC Private Wealth Management, agreed the Liberal program is of a different magnitude. "But that's assuming you can put your child in daycare. If you decide to go with a nanny or want an alternative arrangement, the Liberal plan doesn't do anything," he said.

For all their professions of heartbreak and incredulity, Trudeau and Freeland must be rubbing their hands.

This is a political spat that impacts on the cost of living of millions of voters and, as a result, may make the transition from the chattering classes on Twitter to real voters on Facebook. If it does, O'Toole may rue the decision not to quietly concede the battle for choice in daycare as a lost cause.

Region: Canada ^[3]

Tags: federal election ^[4]

public funding ^[5]

Source URL (modified on 18 Aug 2021): <https://childcarecanada.org/documents/child-care-news/21/08/divisive-issue-might-penetrate-your-sunny-day-subsidized-child-care>

Links

[1] <https://childcarecanada.org/documents/child-care-news/21/08/divisive-issue-might-penetrate-your-sunny-day-subsidized-child-care> [2]

<https://nationalpost.com/opinion/john-ivison-the-divisive-issue-that-might-penetrate-your-sunny-day-subsidized-child-care> [3]

<https://childcarecanada.org/taxonomy/term/7864> [4] <https://childcarecanada.org/category/tags/federal-election> [5]

<https://childcarecanada.org/taxonomy/term/9139>