

Ontario needs a child-care deal^[1]

Families are losing patience with the drawn-out negotiations, Noah Zon writes.

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EXCERPTS

Nobody likes a bad deal. But what makes for a good deal when you're negotiating against yourself?

That's a question that Ontarians should ask as our provincial government and our federal government are locked in an apparent stalemate on child-care funding. Ontario is one of the last provinces or territories to reach an agreement.

Why the hold up? It's not a lack of urgency. The high cost and low availability of child care is keeping parents — mostly mothers — from being able to work at a time of growing labour shortages. And closures caused by the pandemic have taken supply from bad to worse.

While there are clearly ideological gaps between the Ford government and the Trudeau government, by all appearances cash rules everything around this deal. Both sides have made clear that the biggest sticking points are financial. Neither party is willing to settle for what they see as an unfair deal, and Ontario families are stuck in between two governments ostensibly negotiating on our behalf.

The federal government is reportedly proposing to divide its landmark \$27-billion, five-year funding commitment based on a province's share of the population under the age of 5. That's a reasonable way to approach fairly dividing a fixed budget between jurisdictions. But the federal plan is also fixed on a target sticker price to parents of \$10 per day. Unless you have similar costs in each province, that budget seems destined to fall short in places (like Ontario) with exceptionally high costs. That leaves a high likelihood that Ontarians will be left paying more for child care than other Canadians, whether out of pocket or through provincial taxes covering the remaining distance to \$10 per day.

If the provincial government has a strong argument, it is wrapped in a lousy message and delivered by the wrong messenger. The Ontario government talking points have often highlighted "credit" for the province's spending on full day kindergarten for four- and five-year olds. The problem is that the Ford government, having shown no ambition on child care and the weakest possible commitment to that full-day kindergarten, lacks credibility that it is holding out for the deal that will deliver child-care access and affordability. Instead, it reads more as a provincial government looking for ways to improve its budget position while having the federal government absorb the political pain of the higher taxes or borrowing to pay for it.

Ontarians are losing patience with the drawn-out negotiations. Right now, many Ontario families have to manoeuvre absurd obstacle courses just to get the privilege of shelling out the cost of a Tesla for child care. And they're surely less interested in the fiscal imbalance in the federation than they are in quality care for their kids. Or at least so I've been told.

So what is a good deal from the perspective of Ontario families? The current federal offer is several orders of magnitude more significant than any government federally or provincially has put on the table for Ontario kids. Even if, as the provincial government claims, fees would only decline to an average of \$21 per day that would still represent a massive savings for many families — upwards of \$30,000 a year for a family with a one-year old and a three-year old.

On the other hand, it could set Ontario families on a less affordable track than other provinces in a way that could compound over time. Ontario has the lowest availability of regulated child-care spaces for kids under 5 except for Saskatchewan — enough for barely one-fifth of kids — and the most expensive fees in the country. A subpar deal means that gap could widen over time, even if it's a much better situation than parents can expect today.

Political windows of opportunity don't stay open forever and there are only a few months left before the provincial election. Let's find a way to get a deal done.

Region: Canada^[3]

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<https://childcarecanada.org/category/tags/10-a-day-child-care> [5] <https://childcarecanada.org/taxonomy/term/9142>