

Canada Child Benefit still needed alongside national daycare system, minister says ^[1]

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EXCERPTS

OTTAWA - The federal minister in charge of child-care efforts says she still sees a need for the government's cornerstone children's benefit even in a Canada with a national daycare system.

Families Minister Karina Gould says the Canada Child Benefit was never designed as a child-care program, but to help parents defray the costs of raising a family and reduce poverty rates.

Since the income-tested benefit was introduced in 2016, the poverty rate for children under 18 has fallen to 9.7 per cent in 2019, the most recent year for which data is available. That compared to 16.4 per cent in 2015.

Gould says the push to build a national daycare system is also aimed at easing cost pressures for parents by lowering child-care fees that in some cities can cost more than a monthly mortgage payment.

But even when average fees reach the government's goal of \$10-a-day by 2026, Gould says there will still be households that will need the Canada Child Benefit to pay the bills.

It's why Gould says she doesn't see the benefit disappearing from the federal toolkit for families.

"There are always going to be families - maybe it's a single parent, or a single-income household, or there are reasons why the other parent is unable or can't work - that are going to continue to need that benefit," Gould said in an interview.

"I think it's going to continue to be a really important way for us to fight child poverty in Canada."

The government's economic update in December forecasted spending on the child benefit would fall for the second straight fiscal year starting in April, dropping from \$26.4 billion to \$25.5 billion, before climbing to \$28.2 billion by 2027.

The decline is the result of the end of a temporary bonus paid to families with young children.

Gould said there have been some families that saw a reduction in CCB payments because they received emergency income-support in 2020, but it was nowhere near as dramatic a drop as seen for low-income seniors who receive the guaranteed income supplement.

As spending on the benefit rebounds, the government will up its annual funding for provincially run child-care systems. The Liberals have inked deals with 11 provinces and territories, with only Nunavut and Ontario left.

On talks with Canada's most populous province, Gould said there's political goodwill on both sides of the bargaining table to get a deal done, although she didn't say how soon that might take.

Prime Minister Justin Trudeau named Gould minister of families, children and social development in October, after she previously served as minister of democratic institutions and, most recently, international development.

For Gould, taking over her new position helps merge her political and personal lives: Her three-year-old son is in daycare in Ottawa and her riding of Burlington on the western edge of the Greater Toronto Area.

A pandemic parent herself, Gould said she's keeping in mind that families, and children in particular, need a bit more support than usual "because life is just that much tougher."

A recent report by the government's poverty advisory council noted that the pandemic has been traumatic for children through rounds of lockdowns that may have "long-lasting impacts on general health and on the educational attainment of a whole generation."

Gould is being tasked with boosting mental-health services for children, and suggested a way to do that would be to earmark the money to provinces in health-care transfers.

She also has on her plate modernizing Service Canada, which is responsible for doling out billions in benefits annually.

The move to digitize the department's systems has included automatically signing up seniors for old age security and the income supplement payments.

More work could better identify seniors who still aren't getting benefits, she said, and maybe provide unemployment benefits to people faster by seeing payroll changes in real-time.

"There's just such a huge opportunity here to service Canadians and provide support to citizens in just a much more efficient and effective way that will alleviate a lot of stress, and really help provide those benefits to them when they need them," Gould said.

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