

# Child care deal should put priority on not-for-profit services <sup>[1]</sup>

‘Ottawa would be foolish to sign a deal that would allow Ontario to use federal dollars to increase the number of for-profit child care spaces.’

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## EXCERPTS

Ontario Premier Doug Ford says the province is “very, very close” to striking a multi-billion-dollar child care deal with Ottawa.

Indeed, as the lone holdout in Ottawa’s \$30-billion quest to create a long-awaited national child care system, pressure is mounting on both sides to get the job done.

Ontario is important.

Although there are licensed child care spaces to cover barely a quarter of Ontario’s children, the province boasts close to 500,000 spots, the largest number outside Quebec. Ontario is also the only province that empowers municipalities to plan and oversee services to meet regional needs.

With \$10.2 billion from Ottawa to reduce parent fees to an average of \$10 a day, raise worker wages and grow the system so all children have access to quality care, the province is poised to become a powerful national leader in early childhood education.

But as Karina Gould, the federal minister of families, children and social development, told CBC’s Metro Morning recently, Ottawa is still waiting to see how Ontario would use this money to meet the national child care objectives. “We don’t yet have a plan,” she said.

That’s a problem.

After all, this is the provincial government that scrapped Kathleen Wynne’s plan to offer free child care for preschoolers.

Ford’s Progressive Conservatives were even ready to gut full-day kindergarten until provincial polling confirmed the program’s universal popularity.

Instead of limiting new child-care funding to public and non-profit programs that are more likely to provide high quality care, the PCs began allowing for-profit businesses to operate before- and after-school care in public schools.

And they made it easier for municipalities to direct more public funds to for-profit operators, including to new for-profit child care spaces.

The Tories’ signature child care initiative this term was the Ontario Child Care Tax Credit, a modest financial benefit modelled on a Quebec tax credit that significantly drove up development of for-profit centres, creating new quality and cost issues for parents in that province.

So when Education Minister Stephen Lecce says “parents need flexibility,” Ottawa should be wary.

About a quarter of Ontario’s child care spots are run by for-profit businesses. Parents using those spaces need a financial break and staff deserve the same pay increases as those in non-profit or public programs.

But Ottawa would be foolish to sign a deal that would allow Ontario to use federal dollars to increase the number of for-profit child care spaces. Especially now.

As a recent British study warned, financial markets are investing in child care at an alarming rate. Large corporations are gobbling up small nurseries and child-care chains in England and elsewhere without investing in better services. Too often, programs are left heavily indebted and at risk of closing, the study found.

Canadian child-care experts say they have been receiving inquiries since last spring from financial industry analysts looking to advise clients on investment opportunities in this country.

Why would Ottawa allow its historic new child-care spending to be sucked into global capital markets in this way?

Finance Minister Chrystia Freeland gets it. In an interview last year Freeland said she is a “huge believer in the private sector” and believes small business will be key to post-COVID recovery. But caring for seniors and children are “special cases,” she said. “We need to have a

strong bias towards not-for-profit care for them.”

As momentum builds for a deal with Ontario, Ottawa should insist on nothing less.

**Region:** Ontario <sup>[3]</sup>

**Tags:** federal agreement <sup>[4]</sup>

non-profit <sup>[5]</sup>

funding <sup>[6]</sup>

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