

# National child-care plan needs an extra \$1.1 billion, says PBO <sup>[1]</sup>

**Author:** Labine, Jeff

**Source:** iPolitics

**Format:** Article

**Publication Date:** 3 Feb 2022

## AVAILABILITY

Access online <sup>[2]</sup>

## EXCERPTS

To keep its promise to provide affordable child care to every province and territory, Ottawa needs to spend another \$1.1 billion over five years, says the federal spending watchdog.

The budget last April included \$27.2 billion over five years in new money, and more than \$8 billion in permanent funding thereafter, to bring \$10/day child care, and more spaces, to every province and territory, which would pay half the cost.

In the last year, Ottawa made deals with every province and territory except Ontario. Last Thursday, a source in the provincial government told iPolitics that the main sticking points had been resolved, leaving only “smaller details” to be worked out.

But the cost to fully implement the plan might be closer to \$28.3 billion, according to a report released Thursday by the parliamentary budget officer (PBO).

There’d be enough money for the first two years only. For instance, the PBO says nearly 679,000 daycare spaces will be needed in 2026, but current funds would cover only 497,000.

Ottawa would be able to recoup about \$1.8 billion over five years through income taxes, as well as the Canada Child Benefit tax credit, since fewer parents would need to claim it.

The Liberals tout their daycare plan as an economic policy to get more Canadians, especially mothers, into the workforce.

Access to affordable and high-quality child care “gives our children the best possible start in life, makes life more affordable for families with children, and enables both mothers and fathers to work, thereby increasing the workforce,” said Finance Minister Chrystia Freeland in a statement on Thursday.

“It also creates good, well-paying jobs for educators.”

The PBO will issue an updated report once Ottawa has reached a deal with Ontario.

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

**Tags:** \$10-a-day child care <sup>[4]</sup>

national child care system <sup>[5]</sup>

funding <sup>[6]</sup>

**Source URL (modified on 9 Feb 2022):** <https://childcarecanada.org/documents/child-care-news/22/02/national-child-care-plan-needs-extra-11-billion-says-pbo>

**Links**

[1] <https://childcarecanada.org/documents/child-care-news/22/02/national-child-care-plan-needs-extra-11-billion-says-pbo> <sup>[2]</sup>

<https://ipolitics.ca/2022/02/03/national-child-care-plan-needs-an-extra-1-1-billion-says-pbo/> <sup>[3]</sup> <https://childcarecanada.org/taxonomy/term/7864> <sup>[4]</sup>

<https://childcarecanada.org/category/tags/10-day-child-care> <sup>[5]</sup> <https://childcarecanada.org/category/tags/national-child-care-system> <sup>[6]</sup>

<https://childcarecanada.org/category/tags/funding>