

Ontario reaches \$13.2 billion child-care deal: Here's what parents need to know ^[1]

Deal is meant to deliver an average of \$10-a-day child care by September 2025

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EXCERPTS

Ontario has signed a \$13.2 billion deal with the federal government that will cut child-care fees in the province in half by the end of the year, the prime minister said Monday.

CBC News reported Sunday, based on government sources, that the province and federal government had struck a deal following months of negotiations.

Prime Minister Justin Trudeau and Premier Doug Ford appeared together Monday morning alongside other political leaders to formally announce the agreement at a YMCA child care centre in Brampton, Ont.

The Ontario deal is the last one needed to fulfil Trudeau's pledge to bring child-care fees down to an average of \$10 per day in every province and territory by the end of 2026. The provincial government is hoping to implement \$10-a-day child care, although that rate isn't expected to happen until September 2025.

Trudeau said the new program will offer a savings of an average of \$6,000 per child, "real money for families" at a moment when a range of household costs are going up.

He also called the deal a "historic moment" now that all provinces and territories have signed child-care deals.

"Child care is becoming a reality for all Canadians," he said.

Ford, who will begin a provincial election campaign in a few weeks, framed the deal as one of several ways his Progressive Conservative government is saving people money, referencing other measures such as rebates on licence plate renewal fees.

"It's a great deal for Ontario parents and the right deal for Ontarians," he said. "It's a deal that provides flexibility in how we allocate federal funding, flexibility that is critical for making this deal work for Ontario."

In the interim, parents can expect their fees to drop by around 25 per cent. Here's what will happen in the coming months:

- As of April 1, 2022, families with children five years old and younger in participating licensed child care centres, including licensed home care, will see fees reduced up to 25 per cent to a minimum of \$12 per day.
- Parent rebates, retroactive to April 1, will begin in May. The rebate is in place to account for child-care operators that may need extra time to readjust their fees. Parents will receive the rebate automatically in such instances.
- In December 2022, fees will be reduced further to about 50 per cent on average.

The deal outlines a plan to further slash rates in the coming years. Here's what the longer-term outlook includes:

- In September 2024 fees will be reduced even further.
- A final reduction in September 2025 will bring fees down to an average of \$10 per day.

The five year child-care program was to include \$1 billion for Ontario in year one, which is 2021-22. Since that fiscal year ends in four days, the federal government is allowing them more flexibility to push most of that spending into future years.

Ontario had wanted more certainty beyond the life of the original five-year deal — though the federal government's budget last year said funding for the program after the fifth year would be \$9 billion annually — and got a commitment of \$2.9 billion for year six.

The deal will also see Ontario create 86,000 child-care spaces, though that number includes more than 15,000 spaces already created since 2019.

Trudeau stressed that creating these additional spaces won't be easy.

"To create spaces, well that can be done," he said. "But creating high-quality spaces ... that's a bigger challenge. And then making those high-quality spaces that we've created affordable, at \$10 a day, that's even harder."

In spite of this, the prime minister said there's a firm commitment to get it done.

As for where these new spaces will be built, Ford said his government will focus on areas of need, including high-priority neighbourhoods and Indigenous communities.

He also addressed the need to attract more child-care workers to fill these additional spaces.

"The one part that is absolutely critical ... getting more people to work in early childhood education," Ford said. "To be frank, they deserve more money. That's my opinion and we're going to work on that."

Following the announcement, the Ontario Chamber of Commerce said affordable and accessible child care will allow more women to participate in the labour market as the economy continues to recover from the pandemic.

The statement also addressed the need for an adequate supply of qualified workers.

"This will require recognizing foreign credentials, enhancing online training, fast-tracking in-school credentials, and developing financial support for underemployed populations to access training opportunities," said Claudia Dessanti, Senior Policy Manager of the Ontario Chamber of Commerce in a news release.

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