

Tories expected to flip-flop on child care spaces [CA]^[1]

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EXCERPTS

The minority Conservative government has abandoned its much-maligned plan to rely heavily on businesses to create 125,000 new child-care spaces over five years.

It has decided instead to channel directly to provincial and territorial governments the \$250 million a year it had originally earmarked for tax incentives and grants to businesses and other private organizations, CanWest News Service has learned.

The government's change of course will be outlined Monday in the federal budget.

The child-care money, which will be divvied up among the provinces and territories on a per capita formula, will start flowing on April 1.

The government has been under the gun to produce details of its plan for creating child-care spaces since Stephen Harper announced on the day he was sworn in as prime minister last year that he would not honour the former Liberal government's child-care agreements with the provinces and territories beyond March 31 of this year.

The move meant the five-year agreements signed with the Paul Martin government, worth \$5 billion, were cancelled after just two years, leaving the provinces and territories with \$3.5 billion less than they had been banking on.

The Conservative party, which made "choice in child care" a core campaign slogan, had a different approach.

It promised during the election campaign to provide tax credits of up to \$10,000 to employers or organizations for each child-care space created. It said the program would cost \$250 million a year, or \$1.2 billion over five years.

The bigger ticket for the Conservatives has been its Universal Child Care Credit, a taxable \$100 a month for each child under the age of six. It started going to parents last July, and has cost an estimated \$1.6 billion so far. It is expected to cost \$2.1 billion in the fiscal year beginning April 1.

Don Giesbrecht, president of the Canadian Child Care Federation, said many parents, now in the midst of filing tax returns, are belatedly realizing the \$100 is a taxable benefit.

"To a lot of families this is coming as a shock," Giesbrecht said in an interview. "They are also coming to another realization. They've realized this (\$100 a month) isn't choice in child care."

Provincial ministers said they pressed Human Resources Minister Monte Solberg to recognize businesses are not interested in creating child-care spaces and the provinces are in a better position to put the money to effective use.

Deb Higgins, minister of learning in Saskatchewan, said her message to Solberg was: "Look, we've got the plans in place. We know what we are doing. This is provincial jurisdiction. And we need some support."

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Ontario expects to get about \$90 million under that plan.

Saskatchewan puts its share at between \$5-\$7 million, and Manitoba said it could collect up to \$9 million.

"The federal government has changed its position on income trusts and the environment," said Gord MacIntosh, minister of children and family services in Manitoba. "Surely, it can do likewise for the sake of letting people go to work and enhance the Canadian economy. Child care is about the well-being of children, it's also about addressing labour shortages in Manitoba."

- reprinted from the Ottawa Citizen

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