

Tories push ahead with tax breaks to business for child care [CA]

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EXCERPTS

Create a child-care space and get a tax credit of up to \$10,000. Is that a deal businesses can refuse?

They have in the past, as Diane Finley was warned in secret briefing notes in February when she became the minister of human resources and the minority Conservative government's point woman on the plan to tap businesses to create more child care spaces.

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Interviews with several business representatives suggest that while they are not writing off the idea, neither are they embracing it with any enthusiasm. In short, this is not a tax credit business groups had been lobbying for.

"It's hard because it's complex," said Garth Whyte, executive vice-president of the Canadian Federation of Independent Business, which represents 105,000 small and medium-sized businesses. "You have to reach certain criteria to set up a day care. It's not just a tax credit, and here you go."

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Several provincial ministers also have dismissed tax incentives as a proven dud, and an ineffective replacement for the former Liberal government's system of providing direct transfers of money to the provinces to enhance their child-care systems.

Shrugging off the naysayers, Finley recently told reporters she's already had lots of support from corporate associations, although she refused to name names on grounds the talks were at a very preliminary stage.

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A briefing book prepared for the minister, obtained by CanWest News Service under the Access to Information Act, shows that according to the latest available data, employer-sponsored child care accounted for only about three per cent of the almost 600,000 spaces across Canada in 2000.

It also said provinces that have introduced incentives to expand employer-supported child care have had limited success, and that the take up of tax incentives has been "extremely low."

The briefing book cited the case of Ontario, where less than \$500,000 worth of tax credits was tapped from \$10 million made available by the Conservative government of Mike Harris between 1998 and 2004. The program was discontinued.

Finley says the federal plan, which is still being designed, will be aimed at encouraging child-care partnerships among businesses, schools, and other non-profit entities, such as service and faith-based community groups.

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Petro-Canada is among the companies which have already invested in child care....The company is not, however, eyeing the proposed Conservatives incentives as a chance to expand.

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Companies which have never invested in child-care facilities also showed little interest.

The response from MDS Nordion, a high-tech health company in Ottawa, was typical. "MDS Nordion offers a wide range of employee support programs," company president Steve West said in an e-mail. "However, we have no plans to offer day care at this time."

- reprinted from Ottawa Citizen

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