

# Child care reforms look promising: Changes should improve access to higher-quality, affordable, regulated care [CA-AB] <sup>[1]</sup>

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## EXCERPTS

Sunday was the National Day of the Child. This year, there is reason to be cautiously optimistic that Alberta families needing child care will finally have better access to higher-quality, more affordable programs. In mid-October, the province announced a plan to invest \$489 million in federal funding in early learning and child care programs over the next five years.

But while the plan offers hope that more parents will finally have access to programs they can both afford and trust, a closer look reveals that it also creates pitfalls -- policies that must be avoided if young children and their families are going to benefit from this plan.

The plan will increase the maximum child care subsidy provided to parents and boost the income threshold of families eligible for full or partial child care subsidies by 50 per cent. This move is intended to enable more parents to access regulated care. Currently, only 9.3 per cent of Alberta children six years old or younger and requiring child care are being cared for in regulated facilities.

However, it remains to be seen if the number of affordable regulated spaces in high-quality programs actually increases. In the absence of any limits on additional fees that can be charged by a provider, families may well continue to have difficulty accessing quality care.

Worse, the refusal to set limits on fees that can be charged to subsidized parents can lead to two-tiered fee rates, where low-income subsidy recipients are charged higher monthly fees than non-subsidized families. As a result, the lower-income families end up subsidizing those families whose income wasn't low enough to qualify for a subsidy in the first place. This practice is rightly referred to as "gouging the poor."

Until the Alberta government puts regulations in place limiting fees, it may well be that in some situations profit margins, rather than families, will be the benefactors of the province's plan.

In addition the plan will result in an increase in funding for wages and for training opportunities for people working in accredited day-care and approved family day home programs. While child care workers will still receive low wages, and in effect will continue to subsidize the provision of child care, it is at least a step in the right direction.

The pitfall in this part of the plan is that child care providers working with children ages six to 12 in "out-of-school care" programs are not eligible for these increases. Yet they require the same training and qualifications as those working with younger children.

Workers in out-of-school programs are already quitting their jobs and seeking the higher paying positions now available in child care and preschool facilities.

But the issue that could completely erode any benefits this new plan provides is the absence of any attempt to prevent this funding from becoming nothing more than a business subsidy for large commercial corporate day-care providers - as happened in Australia.

Currently, 65 per cent of the child care used by Alberta families is provided by the private sector. For the most part, these are small independent operators who are equally as dedicated as their not-for-profit counterparts in providing the best quality of care for their young charges.

However, under the current plan it is possible that what happened in Australia could happen here. In 1991, policies were brought in that provided funding to for-profit providers and opened the door to shareholder corporations. Large commercial providers now dominate the child care sector in Australia. One shareholder corporation has forced out of business or taken over many small child care operations and now owns 25 per cent of the child care services offered in the country. This corporation boasts an annual profit of more than \$52 million, over half of which is a direct result of government subsidies.

The Child Care Advocacy Association of Canada has recognized this concern and has called on the federal, provincial and territorial ministers responsible for child care to ensure that the same thing does not happen here. They are calling for existing for-profit child care operators to be grandparented in the new funding regime, and the development of a transition plan that will restrict funding for new services to non-profit and public delivery.

Given that we know that non-profit and public providers provide, on average, better quality care than commercial providers, this makes good sense. Without a commitment to a policy framework that views early learning and child care as public services, the unintended consequences of this new five-point plan could be that parents will continue to have little or no choice when it comes to obtaining high-quality, affordable programming for their infant and preschool children. And once again, the promise of vital child care improvements will remain unfulfilled.

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