

Fees set to rise for Quebec's cherished \$7 daycare program ^[1]

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EXCERPTS

The Quebec government is replacing the province's cherished one-cost-for-all daycare system with a fee program that charges parents according to their annual income.

The new fees - which have been leaked, debated, tweaked and criticized for months ahead of the formal announcement Thursday - are controversial.

Politically, they break an election pledge made last spring by the provincial Liberals to index the rise in daycare fee to the annual growth in program costs. But the proposition also slaughters one of Quebec's most sacred cows - a program launched in 1997 to ensure that low-income families and especially single mothers wouldn't be forced to choose between working and raising children.

By many measures it has been a grand success, allowing tens of thousands more Quebec women to enter the workforce and boosting the province's GDP by billions.

Federal NDP Leader Thomas Mulcair, a former provincial cabinet minister, has proposed a national daycare fund inspired, he says, by Quebec that would allow provinces to cap daily fees at \$15.

But the childcare program has also been a costly one for the Quebec government, which paid \$2.3-billion in subsidies in 2013-14, according to last summer's provincial budget. That annual accounting showed the province ran a \$3.1-billion deficit in 2014-15 and would run an estimated deficit of \$2.3-billion deficit this year. But that figure would nearly quadruple by 2016 if government spending is not reined in.

To do that the Quebec Liberals have embarked on a massive cost-cutting exercise, in which the daycare program - estimated to bring in \$300 million in cost savings by 2018 - is the most high-profile casualty to date.

"With the current state of public finances and with the structure in place, the reduced-cost childcare program was not sustainable. We're acting to preserve it...rather than stand by as it crumbles," said Quebec Premier Philippe Couillard.

In a news conference Thursday, Couillard and Quebec's Minister of Families, Francine Charbonneau, said families with a combined income of \$50,000 or less would continue to pay the current rate of \$7.30 daily.

But daily daycare prices would rise to \$8 for families making up to \$75,000 and continue increasing on a sliding scale until the top revenue bracket, \$160,000 and higher. The highest income families would be charged \$20 daily. Families with three children in daycare would continue to be charged at the lowest rate of \$7.30.

When the program was established with an across-the-board rate of \$5 daily, parents were picking up 20 per cent of the total costs. But as expenses rose over the years - even after the daily base-rate was raised to \$7 - the parental contribution dipped to about 13 per cent. The proposed changes would restore the original balance.

Today, Couillard noted, the per-day cost of administering daycare in Quebec is \$60 per child. With an average annual family income in of \$70,000, the premier added that about 30 per cent of Quebec families will continue being charged at the lowest rates.

Quebec opposition parties criticized the government for breaking its 2014 election promise. The Parti Québécois government that preceded the Liberals in power had proposed last spring to increase daycare fees to \$9 daily from \$7. But Couillard said at the time that the fee hike would be too much of a "shock" to the parents of young children.

The PQ's childcare critic, Mathieu Traversy, said the new fees are a "betrayal of the middle class" while the fiscally conservative Coalition Avenir Québec said they amount to a new and unannounced tax of families.

"If the question or the promise about daycare fees had been clear during the last election, do you think we would have had the same result?" Traversy said in the Quebec legislature Thursday. "I'm convinced we would have had a very different result."

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