

The \$4.4-B promise: Conservatives hiking child-care benefit ahead of election ^[1]

Author: Rabson, Mia

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EXCERPTS

Parents across Canada will soon be \$60 a month richer after the federal government moved Friday to legislate a promised increase in the Universal Child Care Benefit.

For nine years, the UCCB has been a hallmark policy for the Stephen Harper government, sending parents \$100 a month for every child they have under the age of six. Easy to apply for and well-advertised, the program has almost universal uptake.

It also is one of the most hotly criticized policies of the federal government and, along with an income-splitting option for families with kids, will play a role in the next election as a stark difference between the Conservatives and the family policies of other parties.

Conceived during the 2006 federal election and introduced by the Harper government almost as soon as it took office, the political goal was to provide funds to parents directly to help them make a choice on how best to care for their young children. Ahead of the next election campaign, the program is increasing to \$160 a month for kids under six, and for kids between six and 17 years old a new \$60 monthly benefit will be introduced.

It will add another \$4.4 billion to the annual cost of the UCCB and add 2.8 million families to the program.

"Parents can use it for whatever they want," Minister of Social Development Pierre Poilievre said this week, visiting an Ottawa daycare centre in anticipation of Friday's legislation. "The whole policy is premised on the belief that parents will always do what's best for their kids. It's not the government's job to go into people's homes and tell them where to spend money."

Although neither the Liberals nor the NDP have said they would cancel the UCCB -- most political advisers suggest doing away with it would hurt the parties with voters -- Poilievre insists the only way the other parties can pay for their own child-care promises is to do away with the UCCB. By introducing the change in specific legislation, the government is daring the NDP or Liberals to vote against it. Conversely they are giving them the opportunity to vote for it, which could dull criticism of the program.

The new money won't start flowing until July when parents will get a catch-up cheque for about \$420 per child, the equivalent of seven months of UCCB payments. Poilievre denied delaying the payments until July had anything to do with sending a big cheque to parents just ahead of the next federal election.

"Adding all of these families to this benefit takes some time," he said in a scrum with reporters after introducing the legislation.

To help pay for the UCCB increase, the government is scrapping the Child Tax Credit, which it introduced in 2007 to let families claim a tax credit for every child, with a maximum benefit of \$338 per child. Ottawa will save about \$400 million this fiscal year and \$1.8 billion in 2015-16 from cancelling that credit.

Poilievre has repeatedly said over the last few months his party believes parents, and nobody else, should get to decide how their children will be cared for.

"We are going to give that money to the eight million real child-care experts out there whose names are Mom and Dad," he said in the House of Commons last Wednesday.

As a mother of three, Conservative MP Candice Bergen knows first-hand the delicate balance of work and family life. It is a beneficial lens through which the Manitoba MP for Portage-Lisgar and minister of state for social development can filter the debate around her government's family policies. Her role in cabinet right now in large part is promoting the family tax plan, and she is spending a lot of time meeting with small parent organizations, local moms' groups and visiting daycare centres.

Bergen said the UCCB is extremely popular.

"Everywhere I'm going, every family is looking forward to it, every family has said this will help, especially families who have older kids who have not been recognized as needing help," she said.

And Bergen said, unlike the NDP and Liberals, who advocate for a national daycare program, the UCCB helps all families no matter what kind of child care they choose.

"In Canada, if you put 10 women into a room, the variety of child-care options that they are looking at, that they decide on, that they actually follow through on are so, so different," said Bergen.

She said many new Canadians, for example, want their kids cared for by family members who can help teach language and cultural practices. Other parents want to stay home part time, or co-ordinate their work hours with a spouse so a parent can provide full-time care.

According to the 2011 Statistics Canada General Social Survey, 46 per cent of Canadian parents in 2011 relied on some form of child care for children under 14, and that number climbed to 60 per cent for parents of children between two and four years old.

Of children cared for by someone other than a parent, 33 per cent are in regulated child-care centres, 31 per cent in home daycares and 28 per cent in private care arrangements such as relatives or in-home nannies.

Bergen says she does not believe the use of regulated child-care centres, which in most provinces are the most expensive option, would increase if the cost was lower, such as the NDP propose with a national child-care program with regulated spaces costing no more than \$15 a day.

"I don't think the affordability would make that huge of a difference," she said.

In fact, Bergen says parents may feel forced to work if taxes go up to pay for such a program.

"At the end of the day a parent might think my taxes are really high and I'm paying for it anyway, and I better get to work because I'm paying all these high taxes, so is that really choice? If the half that were using child care were using regulated daycare spaces then I'd say it looks like a lot are using it."

However, the universal child-care program in Quebec -- upon which advocates for a national version believe it should be based -- includes some home daycare providers.

Bergen acknowledges the UCCB is but a small fraction of what most families who use child care spend on it but says "It's not meant to cover all costs for all child care." Instead, it is intended to give parents a choice in what to do, not pick one option as better than the others.

In an editorial written after Harper first announced the UCCB increase last October, Gwendolyn Landolt, national vice-president of REAL Women of Canada, said it was a welcome move.

Landolt couldn't be reached Friday but in her article said REAL Women had been pushing for an increase to the UCCB for years and said it was "an acknowledgement of the importance of the family and its children who are the very foundation of Canadian society and its future."

But Don Giesbrecht, CEO of the Canadian Child Care Federation, said the government spin on the UCCB as a "choice" in child care is contradicted by the fact there is no companion piece to actually create new spaces so parents actually have options to go along with their money.

"I'm not going to say the money doesn't make any difference, but framing it as a choice in child care is just disingenuous," Giesbrecht said.

Increasing the UCCB is simply "putting even more money into something that's not doing what it says it's doing," he said, adding he has never had a single parent say to him they can now choose a child-care option because of the UCCB.

He also dismisses Bergen's notion that making regulated care more affordable won't mean more parents will choose that option, noting in Quebec, the use of regulated daycare went up after universal \$7-per-day child care was introduced. More kids in Quebec go to child care than in any province, with about 58 per cent of families with kids under 14 using some form of child care, according to Statistics Canada.

The federal government has never done an analysis of the impact the UCCB has had on child care. Its 2011 evaluation of the program looked mainly at the uptake and the administrative costs. There was nothing in the report to determine if the program was meeting its cited goal of providing Canadian parents with "financial support for their child-care choices."

Bergen, however, notes the UCCB is not the only assistance the government is providing on the child-care front. There is the family income-splitting tax cut, which will allow families with kids under 18 to shift income between spouses so it is taxed at a lower rate and provide a maximum benefit of \$2,000 a year. The government also is increasing the child-care expense deduction, which lets parents write off child-care costs, for the first time in more than a decade. Parents with a child under seven can claim \$8,000 a year instead of \$7,000, and for kids between seven and 16 years old, the amount will be \$5,000 instead of \$4,000. This will cost \$65 million a year.

Bergen says the federal government has increased social transfers to the provinces since 2006, which includes money the provinces could choose to use for child care. Child care is a provincial, not federal jurisdiction, so it's not entirely up to Ottawa, she said.

Since 2006, she said, 216,000 new spaces have been created by the provinces, including more than 5,600 in Manitoba.

"We increased social transfers to the provinces so we believe those increased social transfers certainly helped the provinces," she said. "At the end of the day, the provinces make their own decisions about child-care spaces and how much money they are going to allocate. But as a federal government we have increased these transfers so we are taking credit for the 216,000 spaces together with the provinces."

Manitoba says not so fast. Government spokeswoman Rachel Morgan said in an emailed statement overall transfers from Ottawa have flatlined in recent years, and any new spaces in Manitoba were created despite that.

"We'd also like to point out that the Harper government cancelled the previous government's child-care commitment," Morgan said. The 2005 child-care deal signed with the previous Liberal government would have been upwards of \$40 million a year just for child-care programming, but that agreement, and ones made with the other provinces were cancelled in 2006 and replaced with the UCCB after Harper took office.

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