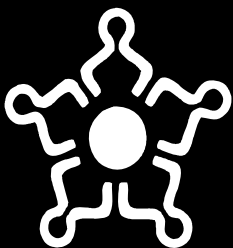




Submission to the House of Commons Standing Committee on Finance

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Introduction

The **B.C. Government and Service Employees' Union** (BCGEU) appreciates the opportunity to make this submission to the House of Commons Standing Committee on Finance.

The BCGEU is one of the most diverse unions in British Columbia, representing over 65,000 workers in the direct government, broader public and private sectors. BCGEU membership includes early childhood educators and child care workers in a variety of settings across B.C. Many family-based child care providers are special associate members of our union.

The BCGEU has long been an active advocate for a comprehensive publicly-funded child care and early learning system. We believe it is critical to ensuring future prosperity for all Canadians. Every child deserves the good start in life that results from early learning opportunities. Women deserve the economic equality that can come from participation in the labour market. We all derive social and economic benefits from investing in child care and early learning.

The House of Commons Standing Committee on Finance has asked that each submission contain only a single recommendation on a federal spending or taxation priority. We cannot think of a higher priority for Canadian families than access to affordable, accessible, quality child care and early learning.

We urge the federal government to invest in a national child care and early learning system.

Executive Summary

The BCGEU believes a national child care and early learning system will have far-reaching implications for working families, and particularly women, by increasing family incomes, stimulating job growth, particularly in small and rural communities, and supporting children's development.

We recommend the federal government commit to a universal child care and early learning system that has the sufficient capacity for every child age 0-12 in Canada that needs a space.

Elements of an effective system are that it be:

- publicly funded and non-profit;
- universally accessible;
- high quality;
- affordable;
- accountable; and
- supported with operating funding, not just capital funding.

The federal government can make this commitment by introducing, in the 2009 federal budget, a multi-year investment strategy with benchmarks and timelines to achieve a universal system.

The BCGEU agrees with the position put forward by groups such as the Child Care Advocacy Association of Canada¹, Code Blue for Childcare² and the Coalition of Child Care Advocates of BC³ that a full system for 0-12 year olds can be built incrementally. Like these advocates, we believe a good first step is investment in a universal system for all 3-5 year olds in Canada, phased in over the next four budget years.

Investing in child care and early learning makes social and economic good sense

There is widespread support for a universal child care and early learning system in Canada, and extensive research backs up the value of such a system. A comprehensive public system that guarantees quality of care and access to spaces would benefit children, parents, especially women, and the economy.

Benefits for children:

- *A healthy start for young children.* Participation in care and early learning programs is associated with positive effects on children's social and creative development, school readiness, and school success.
- *Long-term effects.* These benefits are shown to be long-term, even impacting lifelong emotional and intellectual capacity, and reducing the chances the child is later involved in crime. Research has shown this is true for all children, regardless of family income level.
- *Reduce levels of child poverty.* The current patchwork of services tend to marginalize children from low income families. Ensuring universal and affordable access would not only guarantee that all children have access to the benefits of care and early learning programs, but also remove significant costs facing families below the poverty line.

Benefits for women:

- *Increased labour market attachment and reduced work/life conflict.* Across Canada, over 70% of mothers with children aged 3-5 are in the paid labour force, but there are only enough regulated spaces for 19.3% of children aged 0-5. Too many women are forced to make do with unregulated care, informal arrangements with family, friends or neighbours, or juggle work and care all by themselves. Many others simply cannot participate in the workforce.
- *Advance women's equality and provide women with real choices.* The reality today is that more women want to work, and more women need to work. It should be a woman's choice whether to stay at home with her children, rather than an inability to find affordable, quality child care leaving her no alternative.

Benefits for the economy:

- *Relieve worker shortages and increase tax revenues.* Both of these can be accomplished by increasing the labour market participation of parents.

¹ <http://www.acpsge.ca>

² <http://www.buildchildcare.ca> or <http://www.garderiespubliques.ca/>

³ <http://www.cccabc.bc.ca>

Demographics only threaten to heighten the worker shortages around the country.

- *Increase productivity through decreased work/life conflicts.* These conflicts otherwise hurt the bottom line of Canadian organizations through high stress levels, distractions at work, lateness, absences, and high turnover.
- *Decrease welfare costs.* Some people are faced with child care costs so high that they simply cannot afford to work. Providing universal care and early learning would enable labour market participation for some parents who might otherwise go on welfare.
- *Provide overall economic return.* There is a total estimated return of \$2 to \$1 in improved productivity and decreased long term social costs. The return is estimated to be \$7 to \$1 when programs are extended to high-risk children in particular.

Current child care funding strategy does not achieve policy goals

Replacing dedicated federal transfers with payments of \$100/month directly to parents has not increased the availability of childcare. It has actually resulted in fewer choices for parents in many parts of the country.

Compared to other leading industrial countries, Canada's investment strategy measures up poorly. Our rate of access to care and early learning programs for 3-6 year olds lags behind nearly every other country in the OECD (Organization for Economic Co-operation and Development). Our rate of investment as a percentage of GDP is also lower than that of nearly every other OECD country, which makes very little sense considering how high the return on investment is shown to be.

The Canadian Labour Congress (CLC) issued report cards on child care and early learning services this summer⁴. The CLC found that in provinces outside Quebec families were experiencing real problems related to child care, most significantly:

1. *unaffordable spaces* - parent fees are too high
2. *lack of access* - wait times are too long as there are not enough spaces
3. *worker shortages* - low wages for child care and early learning workers has caused a shortage of qualified workers, compromising quality of service

In contrast to the provinces with a failing grade, Quebec has had a totally different experience. There, public funding has been much higher, which has resulted in a system with much better affordability for parents, higher access rates for children, and more competitive compensation for qualified workers. The Quebec system is non-profit, community-based, and flexible enough that many different providers, including family home providers, find a place in the system.

The Quebec model is not perfect, and there is still room for improvement. But it is both a model for a better national system, and an indication of how Canadian families now

⁴ <http://canadianlabour.ca/en/report-cards> or <http://congresdutravail.ca/fr/report-cards>

have very different child care and early learning experiences depending on which province they live in. The federal shift from dedicated transfers to family payment has only added to the inconsistency and erosion of services in different regions across the country. Instead, the federal government should be doing more to establish equality of opportunity and access.

Investment in child care infrastructure is a better strategy

The following initiatives would make for a much more effective federal government investment strategy in child care and early learning:

- **Increased federal funding for capital and operating costs.** Enter into multi-year funding agreements with the provinces that provide for capital and operating costs of a consistent, Canada-wide childcare and early learning system.
- **Accountability** - federal funding should be attached to carefully enforced standards and democratic governance models. We need to build on our existing strengths and comprehensive mix of different care models. This means all existing providers should find a place in the system; however, expansion of public funding should require new providers to be non-profit. Accountability also means that provinces should transparently report how they use federal transfers, and show they use federal transfers to supplement, not replace, current provincial spending.
- **Universal** – all Canadian children aged 0-12 who need early learning or childcare should have access to spaces, regardless of their special needs or their family income level.
- Programming must be **high quality** – this means having developmentally appropriate programming delivered by qualified workers.
- **Affordable** – this can be best done by moving from a user fee model that puts the burden of costs on parents and providers, to a funded system in which the burden of operating costs are borne publicly. The more families that use the system, the greater a return the investment will generate.

Conclusion

The current federal funding strategy is not achieving the policy goal of providing childcare for working families. More federal funding is required for child care and early learning programs to meet the needs of families, businesses and communities. It requires strong federal commitment and participation in order to build a national child care and early learning system that provides consistent opportunities for children in every province. Federal transfer payments in a multi-year agreement are needed in order to create a national system of accessible, quality care that parents can afford. The 2009 federal budget must reflect this commitment, with the inclusion of a strategy and dedicated funding.