

May 23, 2006

**Provincial Advisory Council on the Status of Women
Responds to Provincial Child Care Plan**

The Provincial Advisory Council on the Status of Women applauds provincial government for today's announcements around the Early Learning and Childcare Program. Improvements such as increases to the eligibility threshold for full childcare subsidies for low income families, and to daily rates of subsidy fees to child care licensees, will enhance the ability of women and modest-income families to access childcare in our province. We are also pleased that 16 new licensed sites that build on existing community services may be established in rural parts of the province.

While the Advisory Council gives kudos to the province, it is dismayed that the long-standing recommendations of women's organizations to implement a universal, affordable national childcare program have been ignored by the federal government.

Under the federal Conservative plan, \$3.7 billion was budgeted over two years for the Universal Child Care Benefit (UCCB), which will provide all families with \$100 per month for each child under age 5 and under beginning July 1. In addition, \$250 million was budgeted for the Child Care Spaces Initiative to support the creation of up to 25,000 new child care spaces in both 2007 and 2008.

The Advisory Council is deeply concerned that under the Universal Child Care Benefit (UCCB), very few families will actually receive \$1,200. The UCCB will provide \$100 a month (\$1,200 per year) for every child age 5 and under. However, many working poor and modest-income families will receive considerably less since the UCCB is considered taxable income. For example, a two-earner couple with a net family income of \$30,000 will end up with just \$199 per year after taxes under the UCCB. In contrast, a two-earner couple with a net income of \$100,000 will receive \$826 after taxes.

According to Leslie MacLeod, Advisory Council President, "Approximately two thirds of Newfoundland and Labrador children in childcare are under the age of six. \$100 per month before taxes would only cover childcare costs for less than one week. This is a long ways from what we would consider to be a universal child care program. This is a flawed attempt to compensate parents for childcare costs. It will cause parents headaches at tax time, and the end result is that parents will be barely further ahead than they were without the UCCB."

In terms of the \$250 million allocated to the Child Care Spaces Initiative, MacLeod states: "The federal government's own words indicate that parents cannot afford the fees to pay for these new spaces. Once again, we need a publicly funded program."

Vanessa MacArthur, Advisory Council Board member in Port aux Basques, is also dismayed by the federal program: "This \$1200 will go to mothers who have children under the age of 6 only. The February 2005 budget commitment was to invest \$5 billion over five years to enhance and expand high-quality developmental early learning and child care in collaboration with provinces and territories. We saw this as a very positive commitment. Instead, the federal government has demonstrated how little they value our children - how unimportant it is that our children have quality, universally inclusive, accessible and developmental child care."

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