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Chair

Mr. Dean Allison

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• (0905)

[English]

The Chair (Mr. Dean Allison (Niagara West—Glanbrook, CPC)): Order.

Pursuant to the order of reference of Wednesday, November 22, 2006, Bill C-303, we will now pursue going through the bill and hearing some witnesses.

I would like everyone to welcome, from the Department of Human Resources and Social Development, Mr. McCombs and Mr. Beaulieu.

I believe you gentlemen have a short statement, and then we can hear some questions from our members of Parliament relating to Bill C-303. Once again, gentlemen, thank you for being here this morning.

You have the floor with your opening statement.

Mr. Mark McCombs (Senior General Counsel, Legal Services, Department of Human Resources and Social Development): Thank you, Mr. Chair.

I have a very brief statement and then I'll entertain questions. My name is Mark McCombs. I'm legal counsel from the Department of Justice and the head of HRSDC legal services. I'm accompanied by Christian Beaulieu. He's senior counsel in our legal services and head of our legal services social programs group.

I appreciate the opportunity to attend the committee this morning and to respond to any questions you may have. By way of information for the committee, I should mention that my appearance today follows the long-standing tradition of this House that the Department of Justice, in accordance with its mandate, doesn't provide legal advice to Parliament. That is the role of the law clerk. However, Mr. Beaulieu and I will be able to provide technical explanations to the committee on the bill itself, without giving legal advice, and answer questions.

I understand that the committee may have some questions surrounding the use of the federal spending power and how that works. Mr. Beaulieu and I are quite able to answer that. We're quite pleased to talk about the law in that area.

The Chair: That was a very short opening statement. If all my witnesses had short opening statements like that, I'm sure we'd get more questions in.

Mr. Mark McCombs: I was taught that less is better.

The Chair: Less is more.

And I'm sure there'll be no political questions today, but just in case, I know you guys are skilled enough to know how to answer questions.

We're going to start with you, Mr. Savage. You have seven minutes, sir.

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Thank you for that detailed statement.

It clears up any questions I had, Mr. Chair.

I wonder if you could just give us an overview, having looked at the legislation. Is there anything that stands out to you as legislators that we should be aware of?

• (0910)

Mr. Mark McCombs: Christian, do you want to go first?

Mr. Christian Beaulieu (Senior Counsel and Team Leader, Legal Services, Information Management and Social Programs Groups, Department of Human Resources and Social Development): Sure.

When you look at the bill, we see that one single purpose is attached to the bill, and it's set out in clause 3, which in our view is quite clear: the purpose of this act is simply to establish criteria and conditions that must be met before any payment is made to a province to support its programs. That's the only purpose we see in the act.

Mr. Mark McCombs: With that, now we'll fall into the part that we were quite able to advise the honourable member on, and that's with respect to the federal spending power.

With regard to the law in this area, as you know, there is no specific enumerated head of power in the Constitution with respect to the so-called federal spending power. The courts have accepted that it's a power that allows the federal government to spend in areas where it couldn't normally legislate. It's a power the courts have endorsed as allowing Parliament to impose conditions to regulate and safeguard the use of federal funds, but it doesn't allow the federal Parliament to legislate in provincial jurisdictions. So the key question in a federal spending power sense is the conditions that might be attached to the federal money.

Just by way of background, the federal spending power doesn't attach to a particular section. It's inferred from a series of sections: 91.1A, which is the federal government's power to legislate public debt and property; 91.3, which is the power to raise taxes; 102, which is the money raised in taxes is then deposited—the creation of the CRF; and 106, which is the ability of this Parliament then to spend the money by way of a voted appropriation.

The only other section relevant to this is section 36 of the 1982 Constitution Act on the equalization authorities, and that buttresses the federal spending power.

So that's really how it all works. By way of background, that would be the underpinnings of this type of legislation.

Mr. Michael Savage: Is there a template for this? In what other areas do we have legislation that outlines accountability measures for money that's transferred? Is this like the health care accord?

Mr. Mark McCombs: The Canada Health Act is an example.

Mr. Christian Beaulieu: And CHST, to an certain extent, I think; it's under the Federal-Provincial Fiscal Arrangements Act.

I think there might be a certain degree of accountability on the part of provinces, particularly the Province of Quebec. When it comes to student loans, under the Canada Student Financial Assistance Act, in section 14, the money may be transferred to Quebec to run its own student loan program. I think there are some accounting measures there, or at least in practice there are with other programs.

Mr. Mark McCombs: The old CAP assistance system was based on the federal spending power, and that's one of the major cases in this area.

Mr. Michael Savage: So this concept itself, of determining that before transfer payments are made there would be agreed-on criteria, this is not a new idea for Canada.

Mr. Christian Beaulieu: Not at all.

Mr. Michael Savage: We've used this quite a few times.

We've heard about the possibility of having something like this for transfers on post-secondary education and things as well, whereby provinces would agree on a national standard, national accountability.

Mr. Mark McCombs: This is normally how these types of programs are established. The federal government sets aside a certain amount of money and the objective is certain national standards. Provinces then can decide whether or not they want to accept the funds on the terms the federal government's offering. If they decide not to, well, they decide not to.

That's really the way this give and take of the federal spending power works.

Mr. Michael Savage: Okay.

We're going to hear from some provinces later on today. Are you aware of concerns that have been raised by some of the provinces on this?

Mr. Mark McCombs: Generally, yes, but I think they're better placed to talk about their concerns vis-à-vis their jurisdiction than I am.

Mr. Michael Savage: But are you prepared to give me your view of their concerns?

Mr. Mark McCombs: Well, I can tell you where the federal spending power creates issues. The federal spending power creates issues when the line is crossed vis-à-vis interprovincial jurisdiction. The courts have said the federal spending power can be used as long as it doesn't regulate within provincial jurisdiction.

The CAP case is one particular case.

• (0915)

Mr. Christian Beaulieu: There is a CAP reference that speaks to that issue. There's also the Winterhaven decision from the Court of Appeal of Alberta that speaks to that. It's established law now, as we speak. The federal government may spend money in those areas and attach conditions to those transfers as long as there's no regulation of the field.

One example I could offer to you to establish the distinction was from Professor Dreidger; he passed away, unfortunately. Professor Dreidger gave the example of the Salvation Army. The Salvation Army, as we know, can't regulate hospitals, but the Salvation Army does run them, the same as the Shriners do. Of course, any legal person may attach conditions, may make payments, but may also attach strings to those payments to make sure the person will use the money the right way. That's different from saying that I will tell you....

I'll try to give you an example. Let's say you were to buy a car. You're a teenager, and you want to buy a car, but you don't have the money. Your parents will purchase the car. You're the one who will buy the car, but your parents have said they will pay up to \$25,000 for your car, but your car must not be red, it must have four doors, and so forth.

Your parents are not the ones buying the car; there will be no consequences. The only thing is that if you don't abide by their conditions, you will not get the money.

Mr. Michael Savage: I understand.

How much time is left, Chair?

The Chair: You're out of time. Good timing.

Mr. Michael Savage: No time at all?

The Chair: No time at all.

I'd like to thank you, Mr. Savage.

I'll now move on to Mr. Lessard, seven minutes, please.

[Translation]

Mr. Yves Lessard (Chambly—Borduas, BQ): Thank you, Mr. Chairman.

I wish to thank you for being here this morning, and I appreciate your participation all the more since we have some questions with regard to the interpretation to be given of certain aspects of the bill. Upon reading the bill, our understanding is that if it is adopted, the legislator will have to express its will to remove Quebec from its ambit. There is recognition that the child care system is already in place in this province.

To what extent will this provision prevent the Canadian government from interfering anyway with the Quebec program? Let me explain. The bill sets out criteria that the provinces and territories will be obligated to respect. It further provides for the establishment of an advisory council that will table observations as well as reports and that will follow the evolution of the entire process.

If by chance one of the program's criteria happened to not be respected in Quebec, for example with regard to children with disabilities, would the Canadian government be allowed to intervene?

Mr. Christian Beaulieu: Mr. Lessard, I can but give you the following answer: the bill does indeed seem to exempt Quebec from the obligation to respect the conditions as set out. As you mentioned on Tuesday, I believe, the bill does however require the establishment of an advisory council. In the area of constitutional law, Parliament is sovereign. As long as it respects the Constitution, obviously, it has the power to determine the requirements to be set out. Here, in exercising its sovereignty, the federal Parliament has decided to exclude Quebec from the ambit of this bill. Quebec is not subject to these conditions, but is nevertheless entitled to full compensation for the costs of its child care program.

It is to my mind self-evident that this advisory council's mandate entails providing advice to the minister and, should the occasion arise, to Parliament. If this council deemed that the exemption granted to Quebec was not in compliance with federal requirements, then it would have all of the discretionary authority necessary to recommend that the law be changed in order to remove this exemption. Parliament being sovereign, it is free to follow or not follow the recommendations of the advisory council.

• (0920)

Mr. Yves Lessard: What I want to know is if these provisions, as they are now drafted, would allow for that.

Mr. Christian Beaulieu: The way I read the bill in its present form, all that is set out here is the power to create an advisory council whose role it would be to make recommendations, period.

Mr. Yves Lessard: It is the provinces and territories who are responsible for establishing everything involving education, child care and early learning. In the beginning, you seemed to be delighted by the bill. You were saying that it would be beneficial.

To what extent is there a need for a Canadian act governing what goes on in the provinces?

Mr. Christian Beaulieu: I will make one correction, and it is a matter of perception. We represent the Department of Justice. We gave no opinion whatsoever as to our delight or lack of same with regard to the announcement of such an act. I do not know to what you are alluding. All I can tell you is that this is a bill that was brought forward by a member of Parliament and that Parliament is entirely free to either adopt or reject it. This is a private member's initiative as opposed to a government initiative.

Mr. Yves Lessard: I was not attempting to interpret your behaviour. It simply seemed to me that you were responding favourably to the bill, which, I hasten to add, I would have been in complete agreement with.

Mr. Christian Beaulieu: In answer to Mr. Savage's question concerning the extent to which this is a common practice, I stated that this is indeed a more and more common occurrence. It is not up to us to say if we are in favour or not of a given practice. We simply observe the facts.

Mr. Yves Lessard: With regard to the distribution of powers, do you foresee the enforcement of this bill creating any difficulties with regard to provincial responsibilities or jurisdiction?

Mr. Christian Beaulieu: Our objective opinion is that this bill seems to fit within the exercise of the federal Parliament's spending authority. This authority has been recognized by most commentators and experts in the field, as well as by the Supreme Court of Canada on at least two occasions. This is an exercise that is recognized within Canadian constitutional law.

[English]

The Chair: Thank you, Mr. Lessard.

We're now going to move to Ms. Chow, for seven minutes, please.

Ms. Olivia Chow (Trinity—Spadina, NDP): It is correct that the Early Learning and Child Care Act is modelled under the Canada Health Act. We had a lawyer who assisted in drafting this act, and in fact that is what the model is.

We have something in front of us from the Library of Parliament. I want to read part of it to make sure that you are in total agreement with this quote:

“Parliament...is entitled to spend the money that it raises through proper exercise of its taxing power in the manner that it chooses to authorize. It can impose conditions on such disposition so long as the conditions do not amount in fact to a regulation or control of a matter outside federal authority.”

It goes on to say:

Applying this principle to Bill C-303, it appears that none of the criteria or conditions attached to a child care transfer payment under the Act would amount to a regulation or control of an ELCC program or service in a province or territory....Accordingly, it appears that Parliament is constitutionally competent to enact Bill C-303.

You 100% agree with that; of course, it's like Winterhaven, which you talked about. So as far as—

Mr. Mark McCombs: Are you asking us to express an opinion on the bill itself?

Ms. Olivia Chow: No, no. Do you agree with that—

Mr. Mark McCombs: Just the federal spending power.

Ms. Olivia Chow: Absolutely.

Mr. Mark McCombs: The federal spending power in that area is exactly that. It's raising the money for taxes. It's the spending of money from the CRF for certain objectives. The courts have said that as long as you're not regulating within the provincial field, it's a valid use of the power.

Ms. Olivia Chow: Of course, that would be the way to establish a national program if the federal government chose to have some criteria, conditions, standards, and accountability on how the money is spent. That's normally how it did that in the CAP, even though it got eliminated in 1995.

• (0925)

Mr. Mark McCombs: Yes, generally the federal programs that operate such as that, to create national standards, use the federal spending power just in that manner. There is an offer of money to the provinces; under certain conditions a province decides, yes, it is interested and accepts the offer.

Ms. Olivia Chow: Right.

There have also been other arguments to say that the social union framework agreement is really talking about the process of different provinces coming onside; it is really a process. As you may know, there has been a lot of discussion on child care programs since 2000, whether through the early childhood development initiative, the multilateral framework agreement, or the bilateral framework agreement. There have been agreements and discussions and consultations, so even if it didn't go through a process of having six provinces signing on, that does not impede the enactment of this bill, because Parliament is not bound by it.

Do you also agree with that?

Mr. Mark McCombs: Parliament, as my colleague said, is supreme with respect to the measures it wishes to take. The SUFA agreement is an executive-level agreement between the provinces and the federal government. It sets out certain processes and certain consultation mechanisms with respect to how the federal spending power is being used in the social programs area.

Mr. Christian Beaulieu: I may add that it's very important to distinguish between what the government is committed to doing and what Parliament may want to do.

SUFA is a governmental arrangement with provinces. Here the bill is an initiative of Parliament; Parliament being sovereign over the government, it's not the same field on which we are playing.

Ms. Olivia Chow: How else legally would one get accountability on how the funds are spent? If you transfer money to a body, whether it's a province, a municipality, a non-profit organization, or a trust fund, there has to be either a bill that says you need to meet these requirements to get the money, or it is an act of faith, or it is a legal agreement, which is what the old SCPI, the homelessness program, was. That was the support community partnership, which has a new name now. That's a legal agreement with municipalities or the provinces.

Other than legal agreements, there's really no other way of having any accountability on any of the funds. You basically transfer the funds; then the province can do whatever it chooses to do with the funds. Am I correct on that?

Mr. Mark McCombs: I'll let my colleague speak to the mechanisms here.

Mr. Christian Beaulieu: It depends on the instrument creating the appropriation, the authority to pay the provinces. If you have proposed legislation like Bill C-303, the purpose of which would be to attach conditions to transfers to provinces, the purpose of the bill is to set out those conditions. The bill could very well set out as well what provinces are to do to account for the use of those funds.

If you take the example of SCPI—I forget what the new name is—that's a contribution program. It's not established by legislation per se. Of course there is a broad appropriation in the annual

appropriation acts, but for the rest, the program is established via policies of the Treasury Board. There are terms and conditions governing the program, and it is by virtue of those terms and conditions that agreements of a legal nature are entered into with each and every organization.

The agreements are quite stringent in terms of the accounting they require from organizations. Legislation could be as stringent. Parliament has to choose.

Ms. Olivia Chow: In the past, when the former Liberal government had the funding agreement with the provinces—with three, other than Quebec, Ontario and Manitoba—and the rest of the funding agreements were really.... Or sorry, they were agreements in principle, they weren't funding agreements.

In the funding agreements, did it say to the province that the funding had to respect the principles of QUAD—high-quality, universal, accessible, affordable? So there are in fact strings attached to those agreements, funding agreements anyway?

• (0930)

Mr. Mark McCombs: Correct. We have certain types of programs. We have statutory programs that are set up by legislation and the funds are spent pursuant to that, and then we have programs where the funding comes from the CRF under voted appropriations from this Parliament.

So there are two different sorts of mechanisms.

The Chair: Thank you very much, Ms. Chow. You're just over the time.

We're now going to the final questioner of this round.

Ms. Yelich, you have seven minutes.

Mrs. Lynne Yelich (Blackstrap, CPC): I'll be sharing my time with my colleagues, who will be jumping in.

I want to talk about the Quebec exemption. Mr. Savage compared it to the Canada Health Act. Is that what would happen with this exemption clause? How does this clause play into the act? If you're going to compare it to the Canada Health Act, do you do that with Quebec then?

Mr. Christian Beaulieu: As far as I recall—correct me on this, Mark—in the Canada Health Act there's no exemption for Quebec. Also, the Canada Health Act does not provide for funding directly; it actually adds to conditions that might exist in other legislation that does provide funding. So it simply adds conditions to existing payments.

Bill C-303 might be the same purpose, which is to attach conditions on transfers otherwise appropriated by Parliament. The difference with the Canada Health Act is that Quebec would be exempted, meaning that any funding Quebec might receive under acts of Parliament could go on, even though Quebec does not meet these additional criteria conditions. That's one way of reading the legislation.

Mrs. Lynne Yelich: You said the intent of the bill was to attach conditions to the transfer of the funds to provinces. Does this bill set up this mechanism to withhold funding from the provinces?

Mr. Christian Beaulieu: Clause 7 of the proposed legislation does provide that in the event a province or a territory does not comply with the conditions, the Governor in Council may withhold a portion of funding.

Mrs. Lynne Yelich: Thank you.

The Chair: Mr. Brown.

Mr. Patrick Brown (Barrie, CPC): Thank you, Mr. Chairman.

I have a few questions.

How long did it take the federal and provincial governments to negotiate something like the Canada Health Act?

Mr. Mark McCombs: I can't honestly answer that.

Mr. Patrick Brown: Would you be able to answer whether there is a clause in the Canada Health Act to allow Quebec to opt out, as is being suggested here?

Mr. Christian Beaulieu: From what I recall, not being an expert in the field, all I can say is that you should refer to the act. I don't recall having seen anything in the act.

Mr. Patrick Brown: Yes. Neither can I, so certainly that's an interesting aspect of the act.

On a legal front, I have a concern with the ability of the federal government to require the provinces to spend child care money. For example, this year the Province of Ontario was given \$97.5 million for child care and they chose to spend only \$25 million.

When presenting before us yesterday, Ms. Savoie said that there wouldn't need to be new money. It was her opinion that we could use the money that has already been put into it. When I asked a question, her response was that it actually involves no cost other than what is being funded. She said that there is money going to the provinces and that the program could start on exactly the amount of money that exists today, with no additional funding.

Recognizing that there's no additional funding and that we're dealing with existing arrangements, is there any legal capacity to mandate the provinces to spend the entire amount required under the program specified by Ms. Savoie?

Mr. Mark McCombs: I'm not sure I really understand the question.

Mr. Patrick Brown: No new federal dollars are going into this, according to Ms. Savoie. Do we have the legal capacity to tell the provinces they have to fund universal child care as specified in this bill? Well, it's not universal; it's actually 54%, as said yesterday.

• (0935)

Mr. Mark McCombs: Again, here we're into the federal spending power piece. In terms of—

Mr. Patrick Brown: But there's no new spending. Given the fact there's no new spending, do we have the legal capacity to tell the provinces how to spend their dollars?

Mr. Christian Beaulieu: The only answer I can give you is that Parliament, being sovereign, let's say has already legislated to provide funding to provinces. Nothing prevents Parliament from further legislating to add to what it said before.

Mr. Mark McCombs: Just to clarify, what Mr. Beaulieu is speaking about is with respect to the ability of Parliament to establish

conditions, etc., on federal funds. We're not expressing an opinion with respect to this bill—whether it adds money, doesn't add money....

Mr. Patrick Brown: No, and I realize that. I'm going on what Ms. Savoie said yesterday.

Mr. Mark McCombs: I just want to clarify what we were directed at for the honourable member Madam Chow.

Mr. Patrick Brown: Yes, I know what she said too. I'm simply going on what Ms. Savoie said. Your interpretation is that we can retroactively say we can put conditions on?

Mr. Mark McCombs: Parliament, as Mr. Beaulieu has said, can decide what it wants to do with respect to funding. That's within the parameters of Parliament.

I'm sorry, I'm not—

Mr. Patrick Brown: I realize that's a difficult area for you to—

Mr. Mark McCombs: Some of this would require program officials to be able to testify with respect to certain programs, and they would be much better placed than Mr. Beaulieu and I to answer questions in the program areas.

Mr. Patrick Brown: There's another thing I wanted to see if you could wade into.

A *Hamilton Spectator* article I was reading said there are 2,772,000 children under the age of six. Ms. Chow said yesterday that the cost of institutionalized day care would be \$8,000 per child. If you do the quick math on that, \$22 billion is what this program would cost.

If we use that math instead of Ms. Savoie's, if we use the figure Ms. Chow used yesterday or two days ago rather than the one Ms. Savoie said, that's \$22 billion. If we're not using existing funds, as Ms. Savoie said, I guess we'd have to renegotiate existing funds that go to the provinces. Following that logic, I guess Ms. Savoie would be suggesting we'd have to look at cutting funds to health care for the provinces, cutting environmental programs trying to combat global warming.

Does the federal government have the ability to change all these previous arrangements unilaterally with the provinces?

Mr. Mark McCombs: Any time the federal government enacts legislation, you have to look at the legislation already on the books and make sure that legislation fits with what Parliament has just done. That's why we have a long process of developing legislation through the Department of Justice. We touch all these pieces of legislation, and you can have hundreds of changes as a result of one piece.

So the impact of whatever this Parliament decides has an impact on everything else that is going on.

Mr. Patrick Brown: That could change everything; wow.

Okay, thank you.

The Chair: Thank you very much, Mr. Brown.

We're now going to move to our second round, which will be five minutes of questions and answers.

We are going to start with our Liberal opposition; Mr. Merasty, five minutes.

Mr. Gary Merasty (Desnethé—Missinippi—Churchill River, Lib.): Thank you, Mr. Chair.

My question will revolve around a first nations issue, which the bill and the proponents spoke about very briefly.

We know the federal government cannot regulate, as you pointed out very clearly, in areas where provincial jurisdiction is clear, as per the Constitution. How about in areas within provinces? I'm probably going to ask the provincial people who are here this question as well. Where provincial jurisdiction doesn't clearly apply, i.e., on reserve, what emerges is a jurisdictional gap in the provision of services, or what this bill speaks to.

Keeping in mind that in the Indian Act the first nations can pass bylaws on weed control but they can't pass bylaws on child welfare, there's a big gap between what the act allows first nations to do and what the relationship is between federal and provincial governments with respect to what is clearly provincial services—i.e., what this bill speaks to.

Nobody questions that child care and early learning opportunities are required on reserve. There's a huge baby boom happening in those communities. Is there any mechanism in this bill that legally allows and clearly prescribes how child care early learning opportunities could be extended on reserve?

● (0940)

Mr. Christian Beaulieu: To respond to your specific question, I haven't seen anything, by reading the act, that directly addresses your concern.

Mr. Mark McCombs: When you're into the first nations area—in regulation, rules, and programs—it's a quite complicated area. I don't think Mr. Beaulieu or I are qualified to be able to give you an answer with respect to first nations. It's not my area of expertise, certainly.

Mr. Gary Merasty: I guess from my perspective, one of the things I would like to see interdepartmentally within the federal government is a bit more of an awareness of that complex issue, because first nations issues are not only Indian Affairs, they're also through Health, through first nations and Inuit health, through HRSD, through Justice, and so on.

What concerns me is sometimes the government says that there are no standards on first nations reserves when it comes to.... The Minister of Indian Affairs clearly said there are no standards for education, which is completely—100%—wrong. The system is run by the band, but they adhere to provincial standards very clearly. It's the same with child and family services, the transfers that have occurred over the years.

I raise it more because I think it's an area that as a government we need to understand cross-departmentally much better. The stovepiping really contributes to damage and causes unsubstantiated comments by those who would use it as sound bites to diminish what's really happening on reserve.

Switching gears very quickly, how would this bill treat Nunavut, the Yukon, and the Northwest Territories?

Mr. Christian Beaulieu: It would treat them the same way as it would treat the provinces, because the act addresses all on the same footing, from what I can read.

Mr. Gary Merasty: Is there not a different constitutional relationship because they're federal territories versus provinces, or would there be no impact there?

Mr. Mark McCombs: I don't think either Mr. Beaulieu or I are expert enough in that area to even venture down that path.

Mr. Gary Merasty: Okay.

Do you have any speculation?

Mr. Mark McCombs: Never let a lawyer speculate.

Mr. Gary Merasty: Okay.

The Chair: Just like we don't want any MPs to speculate.

Just following up on Mr. Merasty's question, in this bill there's no reference to how funding would be handled on reserve? I mean, it does talk about provinces and territories, but it really doesn't address the issue of on reserve, in terms of whether that's included. It should be direct funding, I would take it, but it does not address that issue.

Mr. Mark McCombs: Not directly in the bill. The department has a number of programs with respect to first nations. They might be able to speculate.

The Chair: Okay. Thank you very much.

Madame Barbot, five minutes please.

[*Translation*]

Mrs. Vivian Barbot (Papineau, BQ): Thank you, Mr. Chairman.

All things considered, the bill, in its present form, will allow Quebec to withdraw, which it will most probably do, and to not have to report to the federal government on the use it makes of the funding allocated, given that this is an area that falls under its jurisdiction.

You however inferred that there was a possibility that Parliament might one day change the criteria or whatever. Could you tell us if it is indeed possible to establish rules after the fact? This would amount to interference with Quebec's powers in order to force it to change its way of doing things. In what circumstances would that be possible?

Mr. Christian Beaulieu: With your permission, I will begin by answering your second question. As I mentioned earlier, Parliament is sovereign, subject to the limits set out in the Canadian Constitution. This is a fundamental constitutional principle. The federal Parliament, just as is the case of provincial legislatures, is free to adopt any laws it wishes.

I also believe, subject to correction, that with the exception of criminal law, nothing prevents Parliament from passing laws that have a retroactive effect. Could Parliament pass a law the effect of which would be to retroactively impose obligations on the province of Quebec, obligations that Quebec would perhaps not have to fulfill? Even if I wanted to, I could not really give an opinion on this issue. I do not possess the necessary expertise. What one must however keep in mind is that Parliament is sovereign and that this is therefore in the realm of possibilities.

● (0945)

Mrs. Vivian Barbot: But that remains hypothetical for me, in the present context. What this bill does however provide for, as it is drafted, is that if Quebec withdraws, it will be entitled to full compensation without any conditions other than those explicitly set out.

Mr. Christian Beaulieu: That is, indeed, our interpretation of the bill.

With regard to your first question concerning the requirement to report, I do not know about what, if Quebec asks to be exempted, it would report on.

Mrs. Vivian Barbot: Very well. Perfect.

Did you have another question you wanted to ask?

Mr. Yves Lessard: I would like to ask a question, with your permission, Mr. Chairman.

With regard to section 4, the government of Quebec is free to withdraw and be exempted from the bill. If it so chooses, Quebec could, de facto, receive the entire transfer payment it would be entitled to. Given that the French version of the bill says that it "*peut*" receive this payment, this is not imperative; it is not as if the text stated that Quebec will receive it.

Would you agree with me?

Mr. Christian Beaulieu: This is due to the conventions that apply in the drafting of bills. At the Department of Justice, we standardize our practices, our terminology. However, this is a private member's bill which has not necessarily been drawn up in accordance with the conventions of the Department of Justice. I am therefore unable to provide you with an answer. However, I agree with you: in the French language, there is a difference between "*devoir*" and "*pouvoir*", may and shall. My interpretation is the same as yours, but I am unable to give you an explanation with regard to what is intended with the use of this term.

Mr. Yves Lessard: Without stating a view as to the intent, based upon your expertise as legal advisor, what does this term usually encompass in a bill?

Mr. Christian Beaulieu: Generally speaking, looking to case law, I have sometimes seen the term "*peut*", and sometimes the term "*doit*". And, as a rule, we would not even say "*doit*", but rather "*le ministre paie la province*". In my experience, we would usually see the expression "*peut payer*". One rarely sees the imperative or directive form used in an act, even when the payment in question will imperatively be paid. I have always wondered why laws were drafted in this way.

Mr. Yves Lessard: Good. Thank you.

[English]

The Chair: Thank you very much.

We'll now move to Ms. Chow for five minutes.

Ms. Olivia Chow: In section 3 it says: The purpose of this Act is to establish criteria and conditions that must be met before a child care transfer payment

Some people are interpreting it as future transfer payment, others as existing transfer payment. Is there any benefit to saying that before

an existing child care transfer payment may be made in support of the early learning and child care program....? Would it be clearer to say, so that there's no misunderstanding, that this bill in fact does not mandate the government to engage in spending any new funding or to be involved in an appropriation of some kind?

Mr. Mark McCombs: We're not really at liberty to give you advice with respect to how the bill should be redrafted in those terms. As justice counsel, we're not permitted to deal with those types of areas.

All I can say is that clarity in legislation is the best thing everyone could have.

Ms. Olivia Chow: Okay, thank you for that.

I'm not sure I should ask you this question, but you heard previously that somehow, if a program costs \$9,000 per child care space, the government will pay 100% of the \$9,000, which is a strange way to say that the parents wouldn't pay anything at all, that it's 100% free.

Does it actually say anywhere that all programs should be 100% free or that it should be costing \$5 or \$7, or \$200 or \$1,500, or \$7,000 or \$9,000, for that matter? Does it get into any of that discussion of how much a program should be or shouldn't be?

● (0950)

Mr. Mark McCombs: I don't think we saw that kind of detail.

Ms. Olivia Chow: The advisory committee is established in a way that's really to provide some kind of transparency and accountability so that the general public and Parliament would know, if this is passed, that the \$250 million that's spent on child care in fact is creating high-quality child care spaces, etc., whatever the amount might be, and that it would then advise the minister that the provinces are in fact delivering good-quality, accessible, and affordable child care spaces. That is really the concept of the advisory committee, and it's quite similar to what we have now under health care, that there's a health care advisory council.

Am I correct in that?

Mr. Mark McCombs: The legislation has the advisory committee mechanism. It also has a regulation-making authority, which could be used for a number of things. Advisory councils in general are quite common in the federal area. The department uses them fairly extensively, as do other departments.

Ms. Olivia Chow: So it's not something that is different, but at this point, as far as child care is concerned, or early learning, they really don't have a body of this kind?

Mr. Christian Beaulieu: I think the officials from HRSDC would be in a better position to answer this.

Ms. Olivia Chow: Thank you.

The Chair: Thank you, Ms. Chow.

We're now going to move to our last questioner today.

Mr. Lake, you have five minutes, sir.

Mr. Mike Lake (Edmonton—Mill Woods—Beaumont, CPC): Actually, I guess my first question would be, right off the bat, regarding the witnesses that we have.

I think we have a child care branch of the human resources department, do we not? Is there a child care branch?

Mr. Mark McCombs: Yes, a family and children's branch.

Mr. Mike Lake: Is there a reason we don't have witnesses from that branch? It would seem to make sense, when we're discussing child care legislation, that we would have witnesses from the child care branch. Is there any reason we don't?

The Chair: You're looking at me?

Mr. Mike Lake: It's a question for the people on the steering committee. Is that not something that...?

I don't have much say in who comes as witnesses. You guys on the steering committee make that decision.

The Chair: That certainly would be a possibility. I guess, once again, that would be for the committee as a whole to decide.

Mr. Mike Lake: Okay.

Moving on, then, we have a bit of a history of ad hoc legislation coming through this committee. We dealt with it on Bill C-257 and we dealt with it on the Bloc EI bill, and this strikes me as very similar. You made a comparison earlier to the Canada Health Act, and I'm wondering, compared to this legislation being brought up in quite a murky private member's bill, can you maybe compare that to...?

You know, how long did it take to negotiate the Canada Health Act? Do you have any idea? Was it a couple of weeks, or years and years maybe?

Mr. Christian Beaulieu: We were not involved.

Mr. Mike Lake: Okay.

Mr. Mark McCombs: We have grey hair, but I don't think we were there.

Mr. Mike Lake: I imagine a lot more consideration went into it than this private member's bill.

You used an analogy regarding a car. I know that Olivia was nodding along as you made the analogy of the parents and the child.

Olivia, I guess I'm curious as to what your thoughts are on that analogy. You think that's a good analogy, the parents and the car? Yes? Well, you were kind of agreeing with it before.

I'm curious about it, because I want to know. The analogy regarding the car works because parents have authority over their kids, right? That's the whole point of the analogy—or I guess some parents have authority over their kids. Are you implying that the federal government is a parent and the provinces are children in the constitutional relationship?

Mr. Christian Beaulieu: Not at all. It was just an example that came like that. I didn't imply anything.

• (0955)

Mr. Mike Lake: We'll maybe ask the provinces what their thoughts are after, about that analogy.

Mr. Mark McCombs: I think Maître Beaulieu's example was just with respect to what happens when you make an offer of funds and what the conditions are that are attached. We all know that if we

offer the keys to our son or daughter, they come with certain conditions: one, to fill the tank up with gas—

Mr. Mike Lake: Because you have authority over your son or daughter, right? That's kind of why it works that way.

Mr. Mark McCombs: But that has nothing to do with the federal and provincial governments, and we don't look at them as father-daughter, father-son, or any of that.

Mr. Mike Lake: I think my point is made, though.

I want to move on to the Quebec exemption, because I find it an interesting one. I'm curious; is it normal to have a blanket exemption for one specific province in a piece of legislation, and not have it offered to everybody else?

Mr. Christian Beaulieu: The only act I know where there's a specific reference to Quebec is not this kind of legislation but the harmonization act, the Federal Law—Civil Law Harmonization Act, No. 1. The purpose of that bill was to recognize the duality of the legal system in Canada, civil law versus common law. That's why, in its preamble, you have a reference to the Quebec Civil Code and Quebec society—but that's it, as far as I know.

Mr. Mark McCombs: Let me just add that the federal spending power is normally an offer of funding to provinces. The provinces then make decisions whether they want to accept the funds or not, based on the offer and whatever the conditions are.

That's the normal practice. As we mentioned, it's always legislation you see when you're doing these types of things.

Mr. Mike Lake: I just want it to be clear, though. So in Alberta or New Brunswick or Saskatchewan, do we have the same ability to make that decision? Can our provincial governments take that money and use it to make the best decision for the people in their province?

Mr. Mark McCombs: The courts have said, on the exercise of the federal spending power, that it is up to the provinces to accept the offer or not.

Mr. Mike Lake: So they get the money anyway?

Mr. Mark McCombs: Well, no, there's an acceptance of the funds or not. It's an in or out situation, depending on how the program is designed. Other programs can be designed for having funding for other reasons.

Mr. Mike Lake: To be clear, is that this case for Quebec? Quebec doesn't get the money, then, are you saying?

Mr. Mark McCombs: I'm not talking about—

Mr. Mike Lake: But Quebec gets the money for this bill. If they want the money, they get it and can use it how they want to, according to—

Mr. Mark McCombs: That seems to be the way the bill is designed.

Mr. Mike Lake: I just wondered, because I'm from Alberta, and the Alberta government might be curious to know if they have the same ability to opt out and take the money.

No?

Mr. Christian Beaulieu: In this bill, only Quebec is exempted, from what we can read.

Mr. Mike Lake: Okay, and it says “notwithstanding any other provision of this Act”. So there are no conditions at all on Quebec, because it says, “notwithstanding any other provision of the Act”, right?

Mr. Christian Beaulieu: That's the way we read the act.

Mr. Mike Lake: Okay. I find that kind of an interesting piece.

Thank you very much.

The Chair: That's all the time we have.

I do want to thank you gentlemen for being here today and answering some of our questions. We will release you now.

I have a bit of committee business to take care of. It should take us a few minutes before we break and then hear from our next panel of witnesses.

If you'd like to pull out the 2007 edition of the report on the Centennial Flame Research Award, I could give those of you who weren't on our committee before a bit of background information.

The amount for the 2007 Centennial Flame Research Award was \$4,500 last year. We're suggesting that we keep it at \$4,500 this year. Although you see that we have some money in the bank, remember that this money comes from the flame in front of the Parliament buildings. You'll notice there was not a whole lot of money collected from the flame this year, part of the reason being that it was closed for renovations for a large part of the winter. As a matter of fact, from October until April the fountain was closed.

As opposed to raising the amount, which we have done in the past and did in fact do last year, the recommendation of the clerk—which I concur with—is that we leave the amount at \$4,500. I'm not suggesting we lower it, because it has to be worthwhile in terms of people taking the time out of their days. And we've always had a hard time attracting a lot of people who are interested.

You have before you the three or four motions we want to recommend. Everything is in the package. The first is that we set the amount at \$4,500. The second is that the press release be submitted. The third is that the clerk and the chair be authorized to take any means, including members' householders, to give the award some publicity. It's a great opportunity for people on this committee to advertise through their householders and ten percenters. And the fourth motion is that report be adopted.

My feeling is that we're certainly welcome to discuss this all we want. I don't think there's a big need for discussion. This is more of an FYI, as something we've done in the past. It's pretty much standard procedure going forward, but we do need the authorization of the committee to proceed in this fashion. So if that is all right, I don't necessarily see the need for a lot of discussion.

May I just suggest that we adopt the motions before you?

(Motions agreed to [See *Minutes of Proceedings*])

The Chair: Thank you very much. I appreciate that.

We're now going to break for five minutes before we come back to hear our witnesses for the next round.

Thank you very much. We'll suspend the meeting.

- _____ (Pause) _____
-
- (1015)

The Chair: I call this meeting back to order.

I would like to start off by thanking the witnesses for being here today. I realize that many of you are very busy people. Some of you flew in this morning, some last night. Depending on how geographically far you had to travel, that determined how much time you needed to get here. I do want to thank you for being here.

I realize we have a couple of ministers with us. I realize how busy you individuals are as well. Again, thank you very much for taking the time to be here.

The way things will work is that we will move across the table and give each province seven minutes to outline their thoughts. We will then have the members of Parliament ask question of the witnesses, starting with the opposition and moving around to the government. They will have one round of seven minutes, followed by a couple of rounds of five minutes.

I need to sneak out at 11 o'clock. Ms. Dhalla will step in for me at that point in time.

Once again, thank you very much for taking the time to be here.

Starting with the Government of Prince Edward Island, we have Ms. MacAulay, Deputy Minister of the Department of Social Services and Seniors.

You have seven minutes, please.

Ms. Jeanette MacAulay (Deputy Minister, Department of Social Services and Seniors, Government of Prince Edward Island): Thank you very much.

Good morning, Chair, and members.

Thank you for the opportunity to present to you. I wish to express the regrets of Minister Gillan to the table. He had hoped to join you, but I think the Premier may be announcing something in the next two or three days, and he doesn't want to leave home. That's why I'm here.

The Government of Prince Edward Island has worked closely with provincial stakeholders in the early childhood sector to develop a plan for early child development that meets the needs of our children. We have also shown leadership in work with colleagues from other jurisdictions. In fact, Minister Gillan, the Minister of Social Services and Seniors, has been the co-chair of the Federal-Provincial-Territorial Ministers Responsible for Early Learning and Child Care, which created a national vision to guide early child development.

The 2000 First Ministers' Agreement on Early Child Development and the 2003 Multilateral Agreement on Early Learning and Child Care were precursors to this work, and established an important focus in our province on the early years. With funding from these agreements, Prince Edward Island has made significant progress in the support of healthy child development and specific early learning and child care needs.

For example, our province has implemented a universal newborn hearing screening program; financed a province-wide best start home visiting program in collaboration with family resource centres; improved programming for children with special needs in our licensed child care centres; implemented a community-based, integrated kindergarten program; developed curriculum resources, program delivery, and parental engagement supports for all licensed early childhood programs; and enhanced the child care subsidy program so that more low- and middle-income parents can access licensed early learning and child care programs.

The province of Prince Edward Island has unique needs and strengths. We understand the long-lasting impact of quality early childhood experiences for our children. In February, Premier Binns announced details of a long-term plan for investment in regulated child care programs in our province.

Our framework is built on working with our local early learning sector to address the principles of quality, universality, accessibility, and accountability. Our government was successful in advancing the vision for early learning and addressing these principles in concert with our provincial partners. I believe this is the essence of what this bill is trying to accomplish.

However, Bill C-303 has a number of features that are problematic for provincial and territorial governments. I would like to highlight those impacts for Prince Edward Island.

P.E.I. has approximately 8,500 children aged five and under, and a high rate of labour force participation among mothers of these children. At 80%, it's the highest in the country. P.E.I. is in an enviable position. We have licensed spaces available for 46% of our children from infancy to age five. Canada has spaces for less than a quarter of our children.

There are three points that I would like to highlight when discussing the impact of Bill C-303: overlay with provincial jurisdiction, exclusion of private operators, and impact on small jurisdictions.

One, Bill C-303 is prescriptive regarding funds provided for programs that are in an area of provincial jurisdiction. A national vision should support our collective effort to enhance the awareness and understanding of quality early experiences, while enabling jurisdictions to respond and evolve based on the specific local needs of children and families. Governments cannot, in good conscience, do anything to further restrict the child care sector. We would be in effect crippling an already fragile system by imposing further funding restrictions such as those described in Bill C-303.

In P.E.I. we are seeing a high rate of turnover in staff and operators, and our centres are operating below capacity, at 67%. Like all provinces, we are committed to supporting and strengthening our early learning sector and need federal support in doing that, but we all have unique features that need to be understood.

Prince Edward Island has just implemented a new direct funding grant program to centres that will be based on adhering to quality principles. We have also enhanced our child care subsidy program and doubled the number of infant spaces available in our province.

Our provincial challenge is to complement planned provincial initiatives for children and families in P.E.I. by encouraging flexibility, supporting new and existing partnerships, and being creative within the existing system. This needs to happen in concert with our local communities and be reflected in our provincial child care act and regulations, policies, and practices.

• (1020)

Second, Bill C-303 would limit funding to early learning and child care programs administered by the provincial government or operated on a not-for-profit basis only. Of our early childhood centres in P.E.I., 46% are non-profit and 54% are private.

The majority of our full-day centres—in fact, 74%—which also offer our community-based kindergarten program in a seamless day setting, are also private. This is an enviable component of our community-based program for parents who work. Sixty percent of our licensed early childhood centres that have children with special needs, and 90% of the centres that provide infant care, are private centres.

As you see, private operators on Prince Edward Island provide invaluable services to parents and communities in areas that are not well compensated and that require extensive investment of human and material resources. Private and non-profit early childhood centres are equally distributed across urban and rural communities. Both auspices are viewed as integral components of our communities.

Some communities would feel a significant impact, and our sector would be divided, if funding were allocated according to the criteria of Bill C-303. Prince Edward Island prefers to use the term “private” rather than “for profit” because these centres are not businesses that carry healthy profit margins, if any.

Third, Bill C-303 establishes a mechanism for the transfer of early learning and child care funding from the federal government to provinces. Funding levels based on a typically per capita formula do not allow smaller provinces to fully implement systems that realize the obligations outlined in Bill C-303.

In conclusion, we are committed to working with our partners to strengthen an early learning and child care system in P.E.I. that is based on broad availability, accessibility, universality, and the capability of measuring and monitoring quality.

A national vision by the federal government is indeed supported and encouraged. However, the unique circumstances of jurisdictions need to be recognized, and adequate funding should align with provincial planning, priorities, and realities. However, as outlined in Bill C-303, the criteria and conditions required to be met for the transfer of funds to provinces and territories are onerous, inflexible, and without consideration of existing provincial plans. They would result in an erosion of our system, not a strengthening of our child care sector.

Thank you.

•(1025)

The Chair: Thank you, Ms. MacAulay. I appreciate the fact that seven minutes is probably not enough time to get everything in, but you were pretty close. Thank you very much.

We're now going to move to the Government of Nova Scotia. We're fortunate to have the Honourable Judy Streach, Minister of Community Services, with us today, along with Ms. O'Connell, the director of early childhood development services.

We want to thank both of you ladies for being here today.

You have seven minutes, Ms. Streach.

Hon. Judy Streach (Minister of Community Services, Government of Nova Scotia): Thank you very much, Mr. Chair.

Good morning. My name is Judy Streach. I have the privilege of being Nova Scotia's Minister of Community Services.

I am joined today by a representative from our department to help provide Nova Scotia's view regarding Bill C-303. I would like to introduce Virginia O'Connell, director of early childhood development services. Mrs. O'Connell manages the licensing, monitoring, policy, and standards for all licensed child care centres in the province. She has worked in the field of early childhood development for more than 25 years.

Personally, as a mother of four and a teacher for 15 years, I am passionate about the direction, progress, and diversity of early learning and child care in Nova Scotia. Let me tell you a little about the progress we've been making.

Nova Scotia offers programs that support families and foster healthy child development between the ages of newborn and 12 years, in accordance with the Nova Scotia Day Care Act and regulations.

In recognition of Nova Scotia's commitment to quality child care, my government created a 10-year early learning and child care plan for Nova Scotia last May. In developing the plan we took into account consultation sessions and heard from more than 2,600 Nova Scotians regarding their specific issues and priorities, including from commercial and non-profit licensed child care centres and parents. They told us to increase salaries, decrease the cost of care for all families, increase funding for child care, assist in stabilizing the workforce, provide more accessible child care for children with special needs, and increase spaces in licensed child care centres and family home programs.

Folks, I'm happy to say that we're doing all of this. The early learning and child care plan provides a foundation for licensed child care in Nova Scotia that will promote a more inclusive, accessible, and equitable system. To achieve this, we are focusing on the needs of Nova Scotian families by investing more than \$137 million in our plan. The recent federal budget provides an additional \$7 million per year to support the creation of child care spaces in our province, and it complements our made-in-Nova Scotia child care plan to further help our families access quality care for their children.

We will provide the opportunity, through capital funding, for the creation of at least 1,000 child care spaces. We are creating 550 more

portable, subsidized spaces for low-income families. Funding for children with special needs will double.

We recently announced the child care operating grant funding. It provides funding per occupied space for children and infants, and is a key component of the plan to help stabilize the system and facilitate enhanced recruitment and retention of staff while allowing centres to consider future expansion.

We have also made available \$1 million in repair and renovation funding across the province to make energy-efficient and accessibility improvements to centres.

We have embarked on our long-term vision for quality and sustainable child care in our province. As you can see, Nova Scotia has a plan, and our plan is well into the development of a child and youth strategy that will address the needs of children, youth, and their families by improving the accessibility of a range of supports and services. Our vision is this: that all Nova Scotia children enjoy a good start in life and are nurtured and supported by caring families and communities.

Bill C-303 presents a serious intrusion by the Parliament of Canada into an area of provincial responsibility. Although Bill C-303 does not compel the federal government to transfer funds to provinces and territories for the purpose of providing early learning and child care programs, it does establish criteria and conditions that provinces and territories would be required to meet related to the expenditure of these transfers.

The provision of early learning and child care is a provincial responsibility. Bill C-303 defines the means by which child care is delivered within each province and territory.

The bill refers to specific criteria. Nova Scotia's plan is built on a set of principles that includes each of the bill's criteria. In fact, these principles have their basis in the word CHILD—comprehensive, high-quality, integration, longevity, and developed on the basis of evidence and accountability.

•(1030)

As you can see, Nova Scotia is not standing still. We are already on the path of implementing a range of services and programs that reflect the diverse needs of Nova Scotian families.

Bill C-303, as federal legislation, would be used as a policy instrument to implement a one-size-fits-all approach to child care. Folks, one size does not fit all in Nova Scotia.

In order to access the funding that would need to accompany the bill, each province or territory would have to abide by all components of the bill's criteria and conditions. This approach would strictly limit the design and delivery of our current and future programs. This approach would require that all funded programs be regulated by provincial governments, and that all new programs or services be delivered by a non-profit agency or service. This would stifle provinces and territories in the creation of new and innovative programs that do not meet these restrictive requirements.

In order to meet the requirements of the bill, taxpayers' dollars would have to be invested in additional administrative and infrastructure costs rather than enabling the development and implementation of programs to best meet the needs of the young children and families of our province. Its administrative and reporting requirements would hamper Nova Scotia's current efficiencies and effectiveness with respect to the initiatives we already have under way and that already envelop the requirements of Bill C-303.

Nova Scotia is moving forward. We are doing so in respect of our families, our children, our early childhood sector, and our diverse cultural and geographic environments. We are currently amending our day care regulations and creating new family home regulations, heightening the standard for care and early education.

We also know that some services needed to support families, such as family resource, parent education, and early intervention programs, require further funding allocations to grow and reach out to the community if we are truly ready to provide comprehensive integrated programs and supports to families. Bill C-303 would severely limit this work.

Our hope as a province is to partner with the federal government to make those initiatives that are respective of Nova Scotians and that enable the flexibility to truly make a difference in the lives of children and families.

In closing, I would like to say that Nova Scotia wishes to continue to be an equal partner in the implementation and development of programs that will best serve the young children and families of Canada and Nova Scotia. We do not need Bill C-303 to do this.

The 2001 ECD and 2003 multilateral ELCC agreements are good examples of how governments have negotiated to provide additional funding to early childhood development, learning, and care programs and services. Nova Scotia would prefer to negotiate agreements like this with the federal government rather than having conditions imposed upon us.

I thank you very much for the opportunity to provide you with an overview of the great strides we are making on child care in Nova Scotia, and for listening to our views on Bill C-303.

Thank you. Merci.

The Chair: Thank you, Minister Streach.

We're now going to move to the Government of the Northwest Territories. With us today we have the Honourable Charles Dent, Minister of Education, Culture and Employment, and Dan Daniels, Deputy Minister.

If this were a wedding and we had centrepieces, you guys would win the prize for being from furthest way. We don't, but thank you for making the trip to be here.

Minister Dent, we look forward to hearing what you have to say. You have seven minutes, sir.

•(1035)

Hon. Charles Dent (Minister of Education, Culture and Employment, Government of the Northwest Territories): Thank you, Mr. Chairman, and good morning, committee members.

I'd like to thank the committee for providing the opportunity for the Government of the Northwest Territories to make a presentation to you this morning in respect of Bill C-303.

We're concerned by the manner in which this bill will insert federal influence into an area of jurisdiction that is exclusively provincial and territorial in nature. That this is proposed with no consultation with our territory is unacceptable. Just as our government consults with aboriginal governments when appropriate, such as when considering a wildlife act, we expect and deserve the same consideration from the federal level.

It is especially frustrating when this bill comes forward with no expectation that there will be new money attached. Right now, the lion's share of money expended in the early learning and child care field in the Northwest Territories comes from the Government of the Northwest Territories' coffers. This year, we have increased the funding in our early childhood programs by 20%.

We are concerned that, should this bill pass, it will make it difficult for us to renew the funding agreements we have with the federal government, which, while being minor parts of our total spending for early learning and child care, are nonetheless important to the operation of our system.

Before I get into some specific comments on Bill C-303, I would like to provide some background about the Northwest Territories. I hope this will help explain the implications that Bill C-303 would have on the way we support the delivery of early learning and child care programs and services in the Northwest Territories.

I would like to begin by giving you some of the demographics of the Northwest Territories.

We have 32 communities in the Northwest Territories. The largest is the city of Yellowknife, with a population of approximately 19,500, and the smallest is Jean Marie River, which has a population of 70 people.

It may interest you to know that the school in Jean Marie River has seven students this year. Given that, I'm sure you'll understand that it's very unlikely we'll see a child care centre developed in that community or in others that are similarly small.

There is no or very limited road access to the majority of communities in the Northwest Territories. Many are only accessible by road during a brief winter ice road season. The remoteness and isolation have a great impact on many things in a community, including the availability of program materials. Facility development or activities requiring resources require detailed planning well in advance in order to place equipment orders for arrival by barge once a year, or residents must face the high cost of flying in materials.

The NWT population is approximately 50% aboriginal, with our smaller communities being primarily aboriginal. There are 11 official languages in the Northwest Territories, and we are seeing significant declines in aboriginal language use by our young people in many regions.

The Northwest Territories has a very healthy employment rate and a very low unemployment rate, but the territories-wide nature of those numbers masks the sometimes very high unemployment rate in our smaller communities.

Currently the Northwest Territories has 110 licensed early learning and child care programs operating. These include child care facilities, part-time preschool programs, family day homes, and after-school programs. From these programs, we have access to 1,711 licensed spaces for families.

There are licensed early learning and child care programs in 28 of the 32 communities in the Northwest Territories. The majority of full-time early learning and child care programs are within the city of Yellowknife.

Right now, the individual needs within each community determine the type of program that is required. Many small communities deliver programs on a part-time basis, recognizing the needs and hours of employment in a small community. A lot of our programs are offered by family day homes.

We believe fundamentally that early learning and child care programs in the north must be community based. This means programs are developed and operated by community groups or individuals to meet community needs. They know what's best for their children.

Locally determined and locally driven programs not only provide the opportunity to reflect the individual community needs but also allow a focus on language and culture of the community. In recent years, we've been working to help revitalize aboriginal languages by providing young children with opportunities to learn their language. Following the Maori and Hawaiian examples of language nests, in 2003 the Government of the Northwest Territories began investing funds to assist existing early learning and child care programs to develop their program into a language nest.

Aboriginal children who attend these language nest programs have daily interaction with elders and speakers in the language and culture of the community. Traditional practices and ways of learning are used in the centres, and operators ensure that a variety of learning styles are addressed.

We're finding that language nests in the north are inspiring parents and other adults in communities to learn their aboriginal language.

• (1040)

Mr. Chairman, family day homes can also support immersion in the language and culture of the community through exposure to traditional language, ways of learning, and culture.

The proposed bill would require the Northwest Territories to meet certain criteria to be able to access federal funding supports. We agree that it is important to strive to achieve programs and supports that promote quality, universality, accessibility, and accountability. In fact, we already have well-established standards and reporting processes in place.

We know these reflect the realities of our jurisdiction and support the development and operation of culturally appropriate child care spaces. We are concerned that new federal standards developed as a

result of this bill may impact on the mandate of the Government of the Northwest Territories for early learning and child care and may remove the flexibility that is inherent in the way authority and jurisdiction are divided among provinces and territories and the federal government.

Mr. Chairman, a national early learning and child care act will be hard pressed to deal with the diverse needs and circumstances across the country. The factors involved in providing early learning and child care opportunities in rural, remote, and isolated communities are quite different from those of large urban environments.

Bill C-303 stipulates that funding be linked to a requirement for service to be provided through not-for-profit individuals or groups. While the bill proposes to grandfather for-profit service providers that are in the place prior to the coming into force of the act, new for-profit individuals or groups will not be included. This causes us significant concern.

Right now, family day homes provide 40% of licensed child care in the Northwest Territories. Family day homes are not registered not-for-profit organizations and they fill a valuable need in our small communities, where there's limited infrastructure and little need for larger programs.

As you would expect, there is turnover in family day homes over time, so if this bill proceeds we fear that when it comes time to renew the agreements we now have with the federal government, we will find that we are unable to equitably support a vitally important part of our day care system. That result would greatly impact the flexibility we have in using a range of service providers. In turn, this will impact the availability of services to children and their parents.

As well, since family day homes are run for profit, this would also limit the opportunities for individuals in our smallest communities, where employment prospects may be limited from setting up a for-profit service as a career choice.

Mr. Chairman, the fiscal reporting that the bill calls for would also cause problems in the north. Clause 8 calls for a report to Parliament within 60 days of the end of the fiscal year. Meeting such requirements will be a challenge for small operators. We don't require reports from operators that quickly now, and ensuring that they could meet that sort of deadline so we could report to the federal government would require more support. Funding to support administration to comply with such reporting would be better used for programming to support children.

In conclusion, early learning and child care is clearly a provincial and territorial jurisdiction, allowing provinces and territories to meet child care needs in this diverse country. We take that responsibility seriously.

I don't think this bill is necessary. We already cover these matters through our existing territorial legislation that reflects our unique situation in the Northwest Territories. We have the NWT Child Day Care Act, which lays out the requirements for child care programs in the NWT, including licensing, operating requirements, and offences. Regulations further lay out the duties of child care operators, physical requirements for child day care facilities, daily programming, nutritional standards, health care, hazards and emergencies, and staff qualifications and training.

We can't help but note the clause referring to the unique circumstances of Quebec when it comes to delivering early learning and child care programming, and respectfully suggest that all provinces and territories be recognized similarly.

We don't need more rules to deliver quality programming in our territory, Mr. Chairman, we need more money. While we would welcome a meaningful federal contribution to assist us in supporting quality early learning and child care in the north, it will not be meaningful if it's done in isolation, with no input from the territory.

I encourage you to scrap this bill and press the federal government to continue discussions with the provinces, territories, and early childhood stakeholders to ensure that decisions about investments in early learning and child care support the diversity of Canada—its geography, communities, and families.

Thank you, Mr. Chairman.

The Chair: Once again, thank you, Minister Dent, for being here today. We appreciate how far you've had to travel to be here.

I'd like to move on now to the City of Toronto.

Again, Ms. Davis, it's nice to have you here as a councillor representing the city. You have seven minutes as well.

Ms. Janet Davis (Councillor, City of Toronto): Thank you, Mr. Chair.

I'd like to thank the committee for the opportunity to participate in your deliberations on Bill C-303. I'm pleased to be here in person to represent the City of Toronto and to express, on behalf of city council, our full support for the provisions of Bill C-303.

I'm a member of Toronto city council, vice-chair of our board of health, vice-chair of the community development and recreation committee, as well as the children's advocate for the city of Toronto.

I'm here with Petr Varmuza, the director of Toronto Children's Services.

I too am a parent of two children who were fortunate to attend excellent regulated child care from infancy to school age, and who have benefited as a result.

Toronto is Canada's largest city and sixth-largest government, and home to a diverse population of 2.6 million people. The City of Toronto manages the largest child care system in Canada outside of the province of Quebec, with a budget of \$336 million in 2007. As you know, in Ontario municipalities have a legislated role in the delivery and management of the child care system.

Toronto recognizes the significant contribution that high-quality, accessible, and affordable child care and early learning programs

make to the healthy development of young children and the economic and social well-being of families and communities.

Toronto's child care system provides a range of services for over 65,000 children, including directly operated and community based licensed group child care, family home child care, after-school and summer programs, family resource centres, and special needs programs for children from infancy to school age.

Currently the city provides child care fee subsidies for 23,844 children in 16,000 families. Of those who receive subsidies, 50% pay no fee. Despite the size of our programs, Toronto still only provides services for about one-quarter of the children who need child care, and there are over 10,000 children on our waiting list for subsidized child care.

As you can see, Toronto has made a major commitment to child care and has a critical interest in the future of child care legislation and funding in Canada. Toronto's child care system is guided by a comprehensive service plan and operating criteria with established principles, service levels, program priorities, and program standards to ensure quality.

Toronto's service plan is focused on providing equitable access to services, high-quality programs, and planned growth in underserved age groups and communities. However, the city has been unable to make any significant progress, as the public policy environment and financing of child care and family programs has shifted dramatically over the past 12 years. Federal and provincial governments have changed program and funding priorities, forcing the city to change policy directions, fund services beyond its legislated cost-sharing levels, and often struggle simply to protect rather than expand services.

This has made the municipal role in service delivery and management challenging and unpredictable. Under ECDA, the previous Ontario government invested all the federal transfers in programs other than child care. This became known as the "ABC" policy—anything but child care.

Under the federal-provincial early learning and child care agreement signed in 2005, the Province of Ontario developed the Best Start plan to expand child care and early learning programs for children under six. As required by the province, the city developed a three-year service and infrastructure plan in partnership with school boards and other community service providers to develop new integrated models of service delivery.

Our plan is here and I've brought copies for you, if you're interested.

Toronto created over 3,000 new licensed spaces and 2,000 fee subsidies in 59 centres in the first year of Best Start. This was funded through the federal transfers, of course. An additional 3,400 spaces were planned, and provincial transfers were slated at \$125 million annually. All expansion under Best Start or any new future funding program in Toronto will be delivered in the not-for-profit sector, or delivered by our municipally directly operated sector.

In 2006, when the federal-provincial early learning and child care agreement was cancelled, Ontario chose to distribute the final year of funding over four years. As a result, funding for Toronto was reduced from \$125 million to \$27 million per year.

• (1045)

These funding changes have meant the cancellation of further expansion under our Best Start plan, and a serious funding shortfall for the remainder of our child care system. Toronto is now facing a shortfall of \$35 million, which, if not solved by the end of 2007, will result in the loss of 3,500 subsidized spaces.

The 2007 federal budget allocated \$97 million to the province of Ontario for child care. The 2007 Ontario budget allocated \$25 million for child care this year, and \$50 million next year. Toronto has been allocated \$6.8 million in 2007, and \$9.1 million in 2008, far short of the \$35 million needed to prevent service cuts, and far short of its per capita share of the federal funds. The remainder of the federal funds transferred to Ontario have not been allocated, and there is no indication whether they will go into child care or into other government priorities. The Ontario finance minister told the *Toronto Star* that the funds did not have to go to child care because they were unconditional transfers.

Toronto and other municipalities in Ontario, the level of government responsible for delivering programs, want and need a national legislative and regulatory framework to ensure that funds slated for child care go to child care.

Toronto supports Bill C-303 because it enshrines in legislation the critical elements of a Canadian system of high-quality early learning and child care services. This important piece of legislation will provide a legislative and regulatory framework to ensure that federal funding is transferred to provinces and service providers for high-quality child care and early learning programs; it will create a funding framework that requires provinces and service providers to meet criteria and standards that ensure programs are accessible, high-quality, universal, and developmental in nature; it will ensure that programs are delivered on a not-for-profit basis—and that is important, and we support it; it would require provinces and service providers to develop plans for a system of service; it will provide, through new reporting requirements, transparency and accountability for spending, which is also important to Toronto and to other municipalities in Ontario; and it will establish an advisory council to monitor and report on the operations and effectiveness of the act. We support this as well.

This is important legislation that will assist in protecting and enhancing early learning and child care in Toronto and in every province in Canada. Toronto is not alone in supporting federal child care legislation. Other municipalities, as well as provincial and local organizations, fully support the establishment of a national child care

program entrenched in legislation and will be submitting letters of support to your committee.

In closing, I want to say that Toronto's ability to succeed depends on the ability of our residents to contribute to the economic and social life of our city. Toronto's future also depends on our ability to ensure that all children have the best chance possible to succeed. Investing in high-quality early childhood programs achieves both these goals.

In closing, I wish to urge members to support Bill C-303.

• (1050)

The Chair: Once again, thank you, Ms. Davis, for being here.

We're going to attempt to get three rounds of questioning in. We're going to go with five minutes for each round, given the fact that we let the representatives of government go a little bit longer. Once again, a minute longer is not a whole lot.

I just have one point of clarification, Minister Dent. I know it was brought up with our previous witnesses. I see you have 40% day homes that are for profit. As well, you have the issue of aboriginals in the Northwest Territories. It was brought up earlier that this bill doesn't address funding directly for aboriginals. Was that something you noticed as well in the bill? Is that a concern of yours?

Hon. Charles Dent: In the Northwest Territories we don't have reserves, so the bill wouldn't have an impact on reserve populations, typically. That wouldn't be one of our issues.

The Chair: Thank you very much. I just wanted some clarification.

We're going to start with you, Ms. Dhalla, for five minutes. Then you'll join me in the chair...well, you won't join me, but I'll leave, and you'll be in the chair.

Some hon. members: Oh, oh!

Ms. Ruby Dhalla (Brampton—Springdale, Lib.): I'm not going to get into that.

I want to take the opportunity to thank our witnesses. I think your personal experiences from your particular provinces are most helpful, and as we can see from hearing your presentations, there are a variety of programs that each particular province and territory is putting into place to ensure that it's meeting the needs of its respective population.

I have a couple of questions, and due to our strict chair, I have to keep track of time. My questions are probably more factual, just for my own particular information.

I believe everyone here today, with the exception of Toronto, the province of Ontario, participated in the early learning and child care agreements that were brought forward by the previous Liberal government. Could everyone very quickly answer, going from left to right, how much money they would have received under the early learning and child care agreements? Secondly, how many spaces would have been created, or have been created, as a result, with the one- or two-year transitional funding that was in place?

•(1055)

Ms. Jeanette MacAulay: As I pointed out, our issue is not the need for more spaces but the sustainability of the ones we have right now. We have developed a plan to increase direct grants to centres and to increase the subsidization to parents so that wages can be increased and the administrative and structural issues of child care centres can be supported.

Ms. Ruby Dhalla: So how much money would you have received in particular under—

Ms. Jeanette MacAulay: Over the five-year period, it was about \$25 million.

Hon. Judy Stretch: To answer the first part of the question, it's my understanding, though I wasn't in this seat at the time, that Nova Scotia was in line to receive \$137 million. So that answers the first part of your question.

I believe in the second part you wanted to know about the creation of seats. I was speaking as fast as I possibly could to get in my seven minutes, because our 10-year plan really is about more than just seats. It's more than just spaces. I think I squeaked a lot of that out in those seven minutes.

It's about the sustainability once we actually create this new 10-year plan. We have identified over 1,000 new spaces, and we will also be creating 550 new portable subsidized spaces. Those will be created in the first five years and sustained in the last five years of the plan.

Hon. Charles Dent: I was involved in the negotiations with the federal government at the time, and as you heard earlier, we were satisfied with the terms and the stipulations, the rules that we were going to sign on with, but we had not signed the deal, as had none of the territories because we were not satisfied with the fiscal arrangements. What we would have received through that arrangement would have been \$1.3 million a year. That's about the same amount as we added to our own source funding this year to early child care.

So we thought that the per capita distribution of funds was not appropriate given our unique circumstances in the north, and that's why we hadn't signed on to the deal.

In total we're going to get, for the two years that we're getting the funding, about \$1.3 million. In terms of growth of spaces, over the past two years, we've seen a growth from about 1,500 to 1,700 spaces in the Northwest Territories. By and large, all of those spaces have been in regulated family day homes.

Ms. Janet Davis: To give Toronto's perspective, at 2009 we would have been receiving \$486.9 million. We're now receiving \$176.7 million; anticipating, in 2009. We originally were going to create 5,600 spaces, the majority of them with fee subsidies, and now we're frozen at 2,000 and struggling to maintain those.

Ms. Ruby Dhalla: Thank you to everyone for answering.

I want to pick up on what you're saying, Ms. Davis. You're talking about the loss of funding and the resulting loss of spaces. One of the issues that I think many of us around this table, in particular I think the members on this side, have heard about is the struggle that parents are facing in not being to access day care spaces for their children. It has been noted as a significant barrier for many women

wanting to enter the workforce. It has been noted as a struggle for parents who want to participate in the workforce but due to financial issues are unable to do so.

From your knowledge, the money that has been given, the taxable universal child care benefit—which breaks down to, I believe, about \$2 a day—would that give parents or families wanting to put their children into day care access to a day care space in Toronto? I ask you because I think you are very well respected across the country in terms of the day care program and the investments that the city of Toronto has made historically in early learning and child care. So would parents be able to afford a day care space for \$2 a day?

•(1100)

Ms. Janet Davis: Absolutely not; our child care can go up to more than \$53 a day for an infant or toddler. Preschool is probably averaging \$35 a day.

So it has absolutely no impact on the ability to access regulated services, either regulated home child care or licensed child care.

The Chair: Thank you, Ms. Davis, and thank you, Ms. Dhalla.

We're now going to move to our next questioner, and that will be Madame Barbot from the Bloc, for five minutes.

[*Translation*]

Mrs. Vivian Barbot: Thank you, Mr. Chairman.

[*English*]

Mrs. Lynne Yelich: Excuse me, Vivian. Could I just interrupt for one second? I have to leave, and I just want to say thank you to our witnesses today.

This has been very good. It's shown us the challenges we have. You represent some of the issues that I have in my own home province. So I'd like to thank you for coming.

Thank you.

[*Translation*]

Mrs. Vivian Barbot: Thank you for coming to meet with us today in order to discuss this very important issue. I am from Quebec. I therefore view the situation differently. I would however like to share with you the objectives that led us to wanting to establish a universal program. The idea was to ensure that the greatest possible number of children be able to benefit from it.

It is important for you to know that when we finally did obtain our program, we had been working on it for more than 30 years. Parents, and especially women, were demanding this service. Before the advent of this universal program, we of course were using all sorts of means to fill this gap, so as to be able to go to work, to access the labour market, etc. These were solutions that clearly did not satisfy the majority of people and that many women could not afford, because of low-paying jobs, etc.

The purpose of this program was not only to fill this need but also to ensure that children develop in the best possible conditions. These best conditions, in our view, involve the hiring of qualified staff to offer this service, and that there be not only an educational program, but also a program taking into account the social aspect, in other words the ability of children to interact amongst each other, and taking into account the fact that the workers in this field are often women. If they are paid minimum wage, we cannot expect a high retention rate and improvements in the service offered over time. Thirty years also means that we did not achieve everything overnight. However, today, the program is operating to the satisfaction of the majority of people and is very well accepted.

I need to understand. Is the provision of a universal program a valid objective for each and everyone of you? We hear a lot of talk about money. The funny thing is that when it is war that we are talking about, money is less important. When we are talking about children, all of a sudden, it becomes an insurmountable obstacle. However, it seems that with what we are providing to the children of today who need this program, we cannot tell them to wait 10 years in order for us to find the money needed. If there were a program that allowed you to access additional funding, the idea being to provide access to the majority of people, would that not be a valid objective that everyone could rally around?

[English]

Ms. Jeanette MacAulay: Thank you.

A universal program from the perspective of Prince Edward Island is so far from reality that I don't know if I can dwell on that. Parents within our province can access a child care centre. The competing interests that we have are affordability and sustainability. And therein lies our challenge: the affordability, both for the province and for parents, of accessing a good-quality system, and on the other end of it, ensuring that good quality allows it to be, if there is a profit margin in the base of those that are private, or even not-for-profit, a good reinvestment opportunity.

I think that's where we need to continue to focus within our province. We need to try to continue to help low- and middle-income parents on one hand and the operators on the other, to ensure that the quality that they are providing, and that we measure, is solid.

That's about all I can say there.

• (1105)

Hon. Judy Streach: Thank you very much.

I think I would start by repeating a statement that I made during my presentation: one size does not fit all in Nova Scotia. We recognize that there are challenges for each different region of our province. We recognize that there are challenges for income levels in our province, and we recognize that those are very real challenges for the families in Nova Scotia. We want what's best for Nova Scotia. We want what's best for their families.

We also believe we have to be fiscally responsible, and the sustainability piece of early learning and child care delivery is key. I know the reference was made to not waiting 10 years for child care. We're not talking about sitting and creating and waiting. We have a plan. It's in place. We're moving forward, and we have to ensure that being able to sustain that plan is fundamental and is key.

So we went out and asked Nova Scotians what they needed. We had 26,000 consultations, and the answers we got back are part of the plan we are implementing in Nova Scotia.

As far as universality goes, universally publicly funded child care would require a very significant investment on behalf of the federal government, the provincial government, municipal governments, and in some circumstances in families. I question the sustainability of that.

The Vice-Chair (Ms. Ruby Dhalla): We'll have to go on to Ms. Chow now, because the time is up.

Ms. Chow, for five minutes.

Ms. Olivia Chow: Thank you for being here.

How many spaces were created in the last two years, 2005 and 2006, in each of the provinces and territories?

Ms. Jeanette MacAulay: There were 200 new ones in P.E.I.

Ms. Olivia Chow: It was 200 in 2005 and 2006?

Hon. Judy Streach: That's correct.

Ms. Olivia Chow: Thank you.

And for Nova Scotia in 2005 and 2006?

Hon. Judy Streach: In 2005 and 2006, we funded to the creation of 194 in the first, but 294 in total for both years.

Ms. Olivia Chow: How much money did it cost?

Sorry, I should ask that in terms of numbers. It's really similar to the other members—who asked how much money was spent, and how many spaces were created, in 2005 and 2006, in the last two years.

You don't know?

Ms. Jeanette MacAulay: We can't tell.

Ms. Olivia Chow: And in Nova Scotia?

Hon. Judy Streach: I'm going to let Virginia answer. There's some technical information that might be of assistance.

Ms. Virginia O'Connell (Director, Early Childhood Development Services, Government of Nova Scotia): Thank you.

With respect to the new spaces that we have in our province, we had an expansion funding process and we funded 294 new spaces. That cost \$2.7 million.

But as you are aware, with new child care spaces you also have, of course, opportunities for child care subsidy, and we also provide for all of our full-day centres a grant called a stabilization grant, which would be an actual wage enhancement grant.

So if you're looking at 294 spaces, and then if you were to calculate the number of staff with respect to the ratios required, that of course would also mean other dollars. Overall, it's probably close to \$4 million with respect to the actual expansion, plus the stabilization grant, plus the grants.

Hon. Charles Dent: Over the past two years—because I don't have it separated out to one year—we've seen about 200 new spaces created in the Northwest Territories. I can't tell you how much it has cost us to do that, since the growth of those spaces was largely in family day homes. There wouldn't have been a large capital expenditure to get them there.

But we do subsidize start-ups, so we provide grants even to family day homes, because they're licensed and regulated, to help them get up and operate.

I told you earlier that we had increased our funding by 20% in this fiscal year for child care. That's heavily weighted towards child care subsidies, both on the operations and on the start-up side. In fact, it's an increase of over 38% that we've put in alone to those two areas this year, so we expect we'll see even more spaces created over the next couple of years.

• (1110)

Ms. Janet Davis: We were slated to get \$72 million, \$45 million in capital. We got \$20 million in operating, \$15 million in capital, but created 3,400 licensed spaces and 2,000 fee subsidies for those spaces.

Ms. Olivia Chow: You probably don't know that two days ago the mover of the bill agreed to have two amendments. One is for regulated home care and includes all the ones being created in the Northwest Territories, whether they're private, non-profit, public, or whatever. That is the amendment mentioned the day before yesterday. I think there is also an amendment that deals with the aboriginal community.

I understand that in 2005-06, if you add the multilateral framework agreement and the agreement that was signed by the former Liberal government, the Nova Scotia government received \$54.4 million, and Prince Edward Island received \$5.4 million. I saw an article that just came out that said your government has \$35 million sitting in the bank for child care, and it's time to start spending it. That was an article in the *Chronicle Herald*.

According to the calculations, funds have been given for people in Nova Scotia, and in 2007 you're slated to receive another \$17 million. So for the last two years, plus 2007-08, that's a total of \$71.6 million. That's certainly a lot more than the \$4 million, \$5 million, or \$10 million you may be planning to spend this year—plus the last two years.

Do you have money in the bank that you plan to use later to create more child care spaces? Certainly the math doesn't quite add up, as to the number of spaces created and the funding that was transferred from the federal government to the province.

The Vice-Chair (Ms. Ruby Dhalla): You have thirty seconds.

Hon. Judy Stretch: I can't even begin to answer that question in 30 questions. That's my favourite question, about why we didn't spend the money.

I would like to request a copy of the amendments that the member referenced. It would be beneficial for us to have a look at them if they are available.

To answer the question, you have to get it right, and spending the money without a thought-out, planned process for sustainability

would be irresponsible of the Nova Scotia government. We are not prepared to be irresponsible, so we will continue to move forward with a plan that is solid for Nova Scotian families, one that's sustainable.

The Vice-Chair (Ms. Ruby Dhalla): That was 45 seconds—not bad.

We'll go to Mr. Lake for five minutes.

Mr. Mike Lake: I'll go in a different direction because I have to take advantage of having three provinces represented here.

As a parent of a child with autism—and I know you're all very aware of the issues surrounding autism—I just want to take a second to advocate on behalf of the parents I've heard from in each of your areas about the autism IBI treatment. The funding around those issues should be seriously considered as a priority in your respective jurisdictions. I'll leave it at that. I don't want to take that any further, but I couldn't waste the opportunity.

Speaking about priorities—I guess this is kind of a nice segue—we had a witness here earlier who made the analogy that this bill was like a parent turning over the car keys to their son or daughter and putting restrictions on their use of the vehicle.

There was no protest, of course, from Ms. Chow on this, but I would imagine that might be an interesting analogy to get your feedback on.

Do you see yourselves as kids getting the car keys from your parents, in terms of legislation like this?

I'll start with Ms. MacAulay.

• (1115)

Ms. Jeanette MacAulay: The older you get, the more you think that wouldn't be so bad.

I was here, and I heard that gentleman. On the money that goes into early learning and child care in our province, we spend it so prudently and preciously that we sure wouldn't want to put a dent in the car.

I'll rest my case.

Hon. Judy Stretch: I'll begin by saying that it's been a long time since my father passed me the keys to the car, and I don't want to remember the last time he did it.

We are so encouraged in Nova Scotia, as we have been in the past, to work with our federal government, to work with our federal counterparts. We want to negotiate. We want to consult. We want to be part of it.

So if you'd like to sit down and go over the rules of the road, we'd love to do that. We want to do that together.

Mr. Mike Lake: As equal partners, though, right?

Hon. Judy Stretch: As equal partners at the table, equal partners in the driver's seat.

I will make that analogy, but I did want to reference for the honourable member's information that we're extremely proud of our autism program in Nova Scotia. Ginny actually was one of the creators of a great pilot project that we put in place in Nova Scotia, \$2.3 million specifically earmarked for children with special needs, and we will double that in this sustained plan. So we're pleased with that commitment.

Hon. Charles Dent: Thank you.

I think the minister from Nova Scotia has put it quite succinctly. I would agree that we want to be partners.

We saw that in the 2003 agreement. We were partners in how that was negotiated. We had agreed with the terms and conditions. We had all rejected a universal program, though, and said that it had to have the four components that we all agreed to, but it wasn't the same program across Canada. It was one where we had differences among all the provinces and territories. As long as we're involved in helping to set the rules of the road, as the minister said, then we're prepared to be partners.

Ms. Janet Davis: I would simply say that if we're offered the keys and promised the keys, you had better not snatch them away before giving us the opportunity to get in the car.

Voices: Oh, oh!

Ms. Janet Davis: The problem is that if the federal government does not put strings on the dollars offered to provinces, those funds may not end up where it is intended for them to go. It's that simple.

In Toronto, we had expected and planned and had begun building and implementing a comprehensive plan of services, and then—whoosh—gone. Now, even if there is more money, there's no agreement in place and the Ontario government is under no obligation to pass on this new federal money.

Mr. Mike Lake: I would point out a couple of other things.

First of all, what this bill expressly does is offer the federal government the opportunity to snatch the keys away at any moment, except in the case of Quebec.

Secondly, we have clear lines of accountability jurisdictionally for certain issues. This issue, clearly the jurisdictional accountability, points directly at your province. I think you're expressing that you have some great difficulty with the way your province has decided to spend their money, the priorities that your province has set in Ontario.

Ms. Janet Davis: If I could just respond—

Mr. Mike Lake: No, I have some other questions, and I have very limited time.

I want to talk about the Quebec issue. How do each of you in the provinces or territories, as it were, feel about the fact that Quebec has a full opt-out clause, with no exception whatsoever? They can take their money and do what they want with it, as opposed to your option, in which none of you has any opt-out clause whatsoever. If you don't do exactly what is being demanded by the federal government, you do not get the money.

How do you feel about that? Don't you think it should be fair for everybody?

Ms. Jeanette MacAulay: That's too much of a political decision that I'm not prepared to talk about.

[*Translation*]

Hon. Judy Stretch: I will defer to Quebec to answer that question.

[*English*]

It's not one that I'm prepared to venture into. I'm the Minister of Community Services for Nova Scotia. I'm here to advocate on behalf of Nova Scotians and Nova Scotian families. I will leave Quebec to advocate for itself.

Hon. Charles Dent: Similar to Quebec and Alberta, I think we would say that it is an area of exclusive jurisdiction for the provinces and territories. While we're willing to come to the table and negotiate, as we did for the 2003 accord, we respected each other's differences. So Quebec in that agreement had a unique treatment. All of the provinces and territories had unique treatment. We were able to agree to that.

I think that's the way to go.

● (1120)

The Vice-Chair (Ms. Ruby Dhalla): Ten more seconds, sorry.

Mr. Mike Lake: I'll just make the point that coming from Alberta, I recognize, especially from having been on this committee, that what works in Alberta definitely doesn't necessarily work in the maritimes, or in the territories, or in Quebec. I think that's the key point we're trying to get across here—that the provinces have the right to make the best decision for their own voters, they're accountable to those voters, and that's what's important.

The Vice-Chair (Ms. Ruby Dhalla): We're going to the second round of questioning now.

Mr. Savage, for five minutes.

Mr. Michael Savage: Thank you, Chair.

Welcome to everybody. In particular, welcome to my friends from Nova Scotia. It's always a good day for Ottawa when somebody comes from Nova Scotia, usually bringing some wise advice.

One of the real highlights of my short time as a member of Parliament was the day we signed the agreement on early learning and child care in Nova Scotia. Dr. Hamm was excited about it. I think David Morse might have been the minister at the time. Ken Dryden, Paul Martin—we signed this at the Shearwater family resource centre. For people in the crowd, heroes in child care in Nova Scotia—Sue Wolstenholme, Pat Hogan, Margo Kirk—people who had been advocating for this for years, it was the dawn of a much better day.

I assume you share the support of the early learning and child care initiative that was signed on that day in May, Minister, do you not?

Hon. Judy Stretch: Today is a new day. What happened in the past was celebrated in Nova Scotia. The event that I know you were at personally, I know Nova Scotia celebrated it. We certainly did sign and we did support that agreement.

Mr. Michael Savage: Okay.

I want to read a couple of letters that I received. The reason I want to take some time to do this is that the Action Coalition for Early Childhood Education and Care Nova Scotia, as well as the Nova Scotia Coalition of Non Profit Directors have both asked to be witnesses, and they were unable to be witnesses here. Knowing that the minister was going to speak, I'm going to just read some of the comments they sent me.

This is to all members of the committee:

Dear Members

We are writing on behalf of the Action Coalition to let you know that our Coalition strongly supports Bill C-303. This bill, when passed, will be the first step toward building the child care system that Canadians need and want—In the 37 years since the Royal Commission on the Status of Women's recommendations, far too many Canadian children and parents have had to endure haphazard, questionable quality and at times even dangerous ECLC arrangements.

We understand that the government of Nova Scotia is speaking against this bill. We want you to know that we do not support their position.

We strongly urge you to support Bill C-303.

I note that it is signed by Sue Wolstenholme, who has fought for child care for probably four decades in Halifax, and Theresa Griffin. The Nova Scotia Coalition of Non Profit Directors says, among other things:

We write to you in order to express our strong support for Bill C-303 and to express our shock that our province does not support such a landmark piece of legislation. Currently, in Nova Scotia, the reality is that families do not benefit from a comprehensive early childhood education and care system. Most families, more accurately, struggle with a collection of programs and services which are costly and not accessible to all those in need—Families need services they can depend on, irregardless of socio-economic status or geographic location. Life long learning and education for all is a right, not a privilege. Nova Scotia needs the leadership and accountability that Bill C-303 would provide.

I didn't read everything because it would take some time, but I'll make the letters available. Mr. Lake, I know, will want to study these, and other members will have the opportunity as well.

In light of the fact that the minister was presenting, the child care community in Nova Scotia was very excited on that day in May when we signed these agreements. They almost unanimously, in my view, were excited about it.

It is a new day. It's a slightly darker day than the one we had, in my view, a couple of years ago. I do hope the Government of Nova Scotia is able to make some steps forward on child care. I know the minister has indicated some of the steps they're taking, but we lost an awful lot when that agreement went down the tubes, and I think it's a real shame.

Do I have time for a question?

The Vice-Chair (Ms. Ruby Dhalla): You have a minute and a half.

Mr. Michael Savage: Thank you.

So tell me again, was it \$7 million that was contributed from the federal budget to Nova Scotia? Is that what I heard in the comments?

Hon. Judy Strecth: That's additional dollars this year, Mr. Savage, yes.

Mr. Michael Savage: And the money that would have been provided, we said, was \$135 million over five years?

Hon. Judy Strecth: It was \$137 million.

Mr. Michael Savage: Of which we received how much?

Hon. Judy Strecth: The amount of \$39.4 million.

Mr. Michael Savage: So \$39 million of the \$137 million.

Hon. Judy Strecth: The first two years.

● (1125)

Mr. Michael Savage: So that's a pretty significant amount of money that would be lost. And the provincial government is able to make up how much of that over the five years?

Hon. Judy Strecth: We've committed to a \$137-million plan for the 10 years, but on the ground in the first five and sustained through the last five.

Mr. Michael Savage: I have a specific question. One group that was very disappointed by the loss of the child care agreements was la Fédération acadienne de la Nouvelle-Écosse. As you are a former French teacher, I'm sure you're familiar with them.

Do you have any special provisions for minority language child care? Is that going to be something that will get some attention as we go forward over this 10 years?

Hon. Judy Strecth: Certainly there are many components of the plan that can incorporate the Acadian communities and our francophones. The family home child care—we are working on the regulations as we speak, and hope to get them out the door very soon—I see as a key part for those communities, which are smaller and which are diversely spread across the province. So I think that component itself will be extremely beneficial.

If I may say to the member, you know, I've spent some time with those groups as well. I know their concerns. I've heard their concerns, and I know the concerns are legitimate. I also know they celebrated with you and the government of the day on the commitment and the signed agreement. But I have to say that we're equally encouraged today about the future.

And this isn't about a government of the past, or a government of the present; this is about creating a sustainable plan in Nova Scotia that will respond to those needs, and making the best use of the dollars that we did get and the best use of the dollars that we will get in the future.

I'll reiterate that one point: we just want to be at the table to discuss where those dollars do come from.

Mr. Michael Savage: I applaud your optimism, I really do. But what's even better than optimism is optimism plus money. So far you've got the optimism.

Thank you.

The Vice-Chair (Ms. Ruby Dhalla): Mr. Lessard, for five minutes, please.

[Translation]

Mr. Yves Lessard: Thank you, Madam Chair.

I too wish to thank you for being here this morning. Your opinions, especially those of the provinces, are for us very revealing and enriching.

I understand the intent, but I would like to understand the way of doing things. Ms. Streach spoke of her love of Canada and of her desire to work with Canada. I understand. It is a choice that your provinces also make.

Mr. Dent also well expressed your opinion, that is to say that we each have our own characteristics and that it is the provinces that will be managing these characteristics. For example, with regard to the management of child care centres, the city of Toronto, which has tremendous weight in Ontario, is equivalent, in itself, to two or three provinces. We therefore must deal with all of that.

In Quebec, you know to what extent we too are concerned with conserving our characteristics and of assuming our laws and our societal choices, just the way you do, as a matter of fact. We see that within the federal dynamic, given the way the money is presently distributed, people are very conditioned within the federal government.

In the case of transfer payments for health, for example, we have seen that your provinces, just like Quebec, have been penalized over the years. The fact that the federal government has contributed less and less to health care, most notably, has imposed an additional burden on the provinces.

What I am trying to get at is that we are politicians, and you are too. I would like to know, with regard to the will of each one of you to establish a child care system, universal or not — and I know that the will is there —, if it would be preferable, instead of having transfer payments, that there simply be a transfer of tax points to the provinces in order for them to govern themselves properly? In this way, no one would be dependent upon the federal government, and everyone would be free to make his or her own decisions.

Who would like to respond?

[English]

Ms. Jeanette MacAulay: I'm personally not familiar enough with the merits of tax points vis-à-vis money. I know at the end of the day it all comes down to the fiscal arrangement within the country.

Is your question, Monsieur, about how we feel about tax points?

[Translation]

Mr. Yves Lessard: There are ministers and deputy ministers here, but my question is directed more specifically to the ministers, because you have a political responsibility. I would therefore invite Madam Streach or Mr. Dent to respond, if they would.

• (1130)

[English]

Hon. Judy Streach: Thank you very much.

One of the statements you made, I couldn't agree more with: we are all unique in our own ways. As provinces, as territories, as municipalities, culturally we are unique. That is why we believe in Nova Scotia that choice is so important. That's why one size fits all doesn't work for us in Nova Scotia.

I want to re-emphasize that point, that it's about the uniqueness of our culture. It's about the uniqueness of our family structures. That's why it's important for us to be the ones who create the plan and who

work with the stakeholders to ensure that plan is sustainable. That's why it's so important to us to be the directors of our own future.

I honestly would have to refer the question of tax points to the Minister of Finance. I'm not familiar with a tax point versus a transfer analogy.

Hon. Charles Dent: Thanks for that question.

In the Northwest Territories, like Quebec we have clear accountabilities for early learning and child care, and we report annually to our constituents and to Canadians on how our system is performing. So we think we have the same sort of approach as what is taken in Quebec. We have a good plan, and we want to take the money to deliver it.

To the question about tax points, that would not work for the Northwest Territories. There are three territories. It wouldn't work for any of the three territories actually, because we don't participate in equalization. We don't have a big enough tax base in order for it to make a difference. In fact, depending on the territory, between 70% and 85% of the total funding comes as transfer payments from Canada. So for us it would be essential that we'd be talking about grants in order to improve on programs.

That is where we ran into a problem with the 2003 agreement. We'd agreed, all across Canada, all ten provinces and three territories had agreed on the terms—how we would account for the money, how the money was to be spent. None of the three territories would sign, because we couldn't agree with the formula. Because if it's based on per capita, the amount of money we would get is so small that it wouldn't allow us to increase the numbers of spaces in the territories by an equivalent amount to what they could with the economies of scale they have in Toronto, for instance.

The Vice-Chair (Ms. Ruby Dhalla): Sorry, Ms. Davis, but if you want to answer, you have 10 seconds.

Ms. Janet Davis: We'd love some tax points. We'd love some tax powers. We'd like some share of federal income tax revenues and provincial revenues.

In fact, the Ontario government has granted Toronto new authorities under the City of Toronto Act, and we are now in a position, actually, to enter into agreements with the federal government for the first time. We are the only municipality in Ontario that has that authority.

So we're willing to look at all options if we can have some sustainable funding to expand our services and protect them.

The Vice-Chair (Ms. Ruby Dhalla): We'll go to Ms. Chow for five minutes, please.

Ms. Olivia Chow: I want to talk briefly about consultation. I know that since 2000 there has been a series of discussions. The first one was called the early childhood development initiative. At that time, there were four principles, and one of the principles was to deliver early learning and child care. Unfortunately, even with all the discussions, the funding—\$5 billion over five years—certainly came through, but hardly any child care spaces were delivered from that initiative.

Then there was the multilateral framework agreement. Of course, there were a lot of discussions and a lot of consultations with the provinces and territories, year after year. There was then the beginning of some movement on creating some child care spaces, but by far, there was not any kind of national program whatsoever.

Then there was the bilateral agreement that was signed in principle with all the provinces. Again, there was a lot of discussion and a lot of consultation. I'm curious as to why there were that many provinces that did not sign on as a funding agreement, because the plan really was that the agreement in principle was okay for the first year. In the second year there was supposed to be a funding agreement that would govern how the funds would be transferred. There needed to be a plan, the plan to be approved by the federal government, and then the funds would be transferred.

The plan was based on four principles—equality, universality, accessibility, and developmental—which are, in fact, the basis of this child care bill. Other than the bill enshrining these principles in legislation, there is not a lot of difference from signing those funding agreements and having the federal funding transferred.

I believe there was an intention to sign. Was it because we ran out of time? I understand that the Northwest Territories had discussions about the dollar amount. But in terms of P.E.I., why wasn't it signed?

• (1135)

Ms. Jeanette MacAulay: Are you referring to the 2005 agreement?

Ms. Olivia Chow: That's right.

Ms. Jeanette MacAulay: Certainly our province did sign the agreement—

Ms. Olivia Chow: In principle.

Ms. Jeanette MacAulay:—and of course we ran out of time. An election occurred immediately after that. It was our intention to sign into that arrangement.

I think the difference, though, from what was being expected of provinces in terms of accountability with respect to the QUAD principles and the plan is the prescriptive nature of this piece of legislation compared to the annual plan we would have provided to the federal government as a consequence of receiving the money.

Our discomfort is more with the prescriptive nature, and perhaps the tool, that in many ways—a sledgehammer, I think is what we feel this is. When you have in legislation words like “examining” how the provinces have done—

The issues around the administration are so detailed and are perceived, at least in our minds, as being such a very onerous process, that it would be costly to deliver, as opposed to a reporting of how we're progressing on those QUAD principles. And we're always prepared to do that in partnership with the federal government.

Hon. Judy Streatch: Nova Scotia signed. Your colleague down the way was at the ceremony. The Government of Nova Scotia of the day definitely did sign.

But I see a big difference between that agreement and Bill C-303. The challenges I articulated earlier, whether it's jurisdiction or the

administrative costs that would be downloaded to the provinces, are real. The biggest challenge in Nova Scotia would be the inability for anyone other than a non-profit to offer child care in the future. We cannot do that. Today over 50% of my centres in Nova Scotia are commercial. I need the commercial sector to sustain family home day care. So for me, that component is a reality piece that I can't ignore.

Hon. Charles Dent: Obviously the devil is in the details. In 2005 the provinces and territories spent a considerable amount of time negotiating with the federal government to achieve a clear understanding of what each of the QUAD principles meant. We haven't done that on this bill, so we're not sure what the meanings are. Until we have some clear understanding, or there has been some agreement between the parties as to what those principles actually mean in day-to-day practice, it engenders a lot of fear for us.

Ms. Janet Davis: I agree with you. The principles in this bill are very similar, if not virtually the same, as the previous cost-sharing program.

If I could address the issue of profit/non-profit, in the city of Toronto, 22% of our child care system is for profit. We have the remainder either directly delivered by the municipality or through community-based non-profit child care programs. We have made a commitment to expanding only the non-profit sector. It took some time, but we have very firmly taken that position now. We know, and even recent research has demonstrated, that it is more likely to have high-quality child care in the non-profit sector.

A study released just this week, specifically on Toronto, was very interesting. Despite the fact that we have a second tier of regulatory regime that we apply to all of our contracted services, differences were still found between the for-profit and non-profit sectors in terms of quality. We believe that all the expansion in the future should be in the non-profit sector. We will grandparent, and we are grandparenting, the existing for-profit operations.

That's what this bill does. It doesn't say they all have to convert to non-profit. It doesn't say you can't fund the existing commercial sector. It simply says, moving forward, it should go in the non-profit sector, and we fully support that.

• (1140)

The Vice-Chair (Ms. Ruby Dhalla): Thank you, Ms. Davis.

Might I request that if we're asking all our witnesses questions, we perhaps start with Ms. Davis? We feel bad that she keeps getting cut off because time has run out. We'll go from right to left for the remaining questions.

Mr. Brown, for five minutes, please.

Mr. Patrick Brown: I have a series of questions, Ms. Dhalla. I'll try to make sure we save one for Ms. Davis too. If I can get some quick answers, I can get through all of them.

I'm trying to determine, from the provincial perspective, whether this is a type of pie-in-the-sky, Alice in Wonderland legislation in terms of costing or whether this is legislation that has some realistic costs.

To go through some numbers, I mentioned in my first round of questioning that according to the *Hamilton Spectator*, there are 2,772,000 kids under six in Canada. I broke that down, per province, and then I used the \$9,000 figure that my colleague Ms. Chow brought up. I noticed there was a bit of inflation from the meeting before, but that's okay. For Nova Scotia, that would break down as 80,388 children under the age of six. That's \$723,492,000.

Ms. Stretch, do you have \$723 million that you could use to implement this legislation?

Hon. Judy Stretch: No.

Mr. Patrick Brown: Okay.

Moving on to P.E.I., and 11,000 kids times \$9,000, do you have \$99 million that you can make available for this legislation?

Ms. Jeanette MacAulay: No.

Mr. Patrick Brown: No. Okay, that's interesting.

For the Northwest Territories, at 2,772 kids times \$9,000, do you have \$24 million that you can make available for this legislation?

Hon. Charles Dent: No.

Mr. Patrick Brown: Interesting.

Moving on to the City of Toronto, I already know the challenges you have. I was a city councillor for five and a half years myself. I know that municipal resources are really stretched. The costs for Toronto, being such a large city, to do universal day care would actually be \$1.92 billion.

Dalton McGuinty obviously took the \$97 million that you eloquently mentioned and decided to take \$72.5 million away from children in Ontario, which was certainly disappointing.

What expectations do you have that Mr. McGuinty would extend child care money to the City of Toronto? And if he didn't, would the City of Toronto have the fiscal capacity to execute this plan without any funding from Dalton McGuinty?

Ms. Janet Davis: I'm not sure what plan you're speaking of. This legislation doesn't lay out a set of fixed expenditures or transfers, so I don't understand the costing you're using.

Mr. Patrick Brown: The costing I'm using is the \$9,000 figure used by Ms. Chow.

Ms. Janet Davis: In any event, we would support moving to serve all of the children who need child care in Toronto if we had the financial capacity. Clearly we don't at this point.

Mr. Patrick Brown: Do you have the expectation that Mr. McGuinty would give it to you?

Ms. Janet Davis: We are optimistic that the federal funding will eventually be transferred to us. There is a provincial election coming this fall. The Ontario government has made commitments. It made commitments in the last election to spend \$300 million on child care. There's a lot of pressure on them, so we're optimistic.

Mr. Patrick Brown: Certainly I think a lot of people would hope that would be brought up in the provincial election about Mr. McGuinty's failure to pass on that \$72 million given by the federal government.

Looking at this another way, one thing that Ms. Savoie conceded two days ago that might be a bright spot for you is that it wouldn't actually have to be universal. She said the Quebec model was 50%, so her expectation would be 54%. You'd only have to extend it to 54% of children, which is roughly half.

Referring to the numbers I mentioned before, would you be able to pay for half of that to implement this legislation? Would you be able to pay \$350 million, Ms. Stretch?

● (1145)

Hon. Judy Stretch: No, I can't find that money either.

Mr. Patrick Brown: See, here's the challenge: I'm getting the sense that the expectations this legislation would put upon the provinces are really pie in the sky.

Ms. Savoie said there'd be no new federal money, but it looks as though to implement this, there would be gigantic figures. So it comes down to three scenarios. Either you're going to pillage federal resources for health care and environment to find this new money or you're going to pillage your resources. You're going to have to go to your premiers and say, "I need all this funding to implement this private member's bill", so you're having to pillage your health care resources, your environmental resources, and the social services that are important to your province. Or there's a third option, which is that we don't actually pass this legislation.

So if I could get your guidance, should we take option A and pillage federal resources; option B, pillage provincial resources; or option C, don't adopt this legislation? Could I have some guidance from the two provinces and the territory?

Hon. Charles Dent: I said in my comments that I think the bill should be scrapped and that we should get back to the negotiating table. That would still be my position. I hope there's a federal investment at the end of the day, but I'd like to be involved in determining how it's apportioned.

Mr. Patrick Brown: Would that be option C for Nova Scotia and P.E.I. as well?

Hon. Judy Stretch: I'm thinking of the three options, and the federal allocations that go to the other programming; I would be hard pressed to go to my colleagues and ask them to give me their dollars. I don't think they'd appreciate that very much.

So I don't have any desire to start pillaging funds from other departments or other agreements.

Mr. Patrick Brown: Good to hear.

And P.E.I.?

Ms. Jeanette MacAulay: As a good public servant, I'd like to say there's an option D—that we do get back to the table and start talking, as we have before, about the issues facing children in this country, and accessibility and affordability of child care, not necessarily through this act but through the federal-provincial-territorial tables.

Mr. Patrick Brown: But on this specific act, what would you say?

Ms. Jeanette MacAulay: No.

Mr. Patrick Brown: No. Okay. Good to know.

Thank you.

Ms. Olivia Chow: On a point of order, Madam Chair, I've heard this \$9,000 mentioned several times. In different cities and provinces, there are different numbers.

So on the record, for Nova Scotia, allocation for each regulated space is \$1,549, not the \$9,000 that was used. The \$9,000 is specifically the maximum dollar amount for Toronto, which includes the provincial and the municipal and the parents' fee, plus the fundraising and the bake sales. That is the dollar amount. It does not apply across the country, just so we know.

The Vice-Chair (Ms. Ruby Dhalla): Thank you, even though that's not a point of order.

We're going to go on to our next speaker so that we can get out of here on time.

We have, for the next five minutes, Mr. Merasty and Mr. Savage splitting their time.

Mr. Gary Merasty: Thanks, Madam Chair.

Most of you, but not all of you, were in the room when I asked the previous federal officials a question specific to the first nations issue. Some of you have bigger populations than others. Western Canada certainly has a huge on-reserve aboriginal population.

It's been very clearly stated that the feds can't overrule or step into provincial jurisdiction when it comes to child care regulations, so on and so forth, but there is a bit of a gap here when it comes to on-reserve because there is a federal responsibility there. The bill right now is silent. There's talk of an amendment. The Indian Act right now very clearly allows bands to pass bylaws on controlling weeds, but they can't do anything on child welfare and so on and so forth.

The question for me, and I'm getting asked this by the aboriginal community and first nations on-reserve communities in particular, is where do they fit in? What would your thoughts be with respect to this bill and that particular issue? How would we fund, how would we move forward together on trying to create child care spaces and early learning opportunities on reserve, within your existing frameworks?

• (1150)

Hon. Charles Dent: It's an interesting question given the fact that in the north we don't generally have reserves. In the 2005 agreement, we brought this up with the previous government as an issue. The federal government still has an obligation to aboriginal peoples, whether they're on reserve or not, in our opinion, particularly in

places like the north, where we've chosen not to implement the reserve system.

The previous government was prepared to allocate some of the funding from the 2005 agreement to bands in the north, whether they were on reserve or not. I would hope, in any case, we would be able to negotiate a similar situation if we're talking about funding in the future.

Hon. Judy Stetch: In Nova Scotia we have 248 child care spaces that are on reserve. They are not regulated through the provincial government, so we do not interfere with or regulate those.

Ms. Jeanette MacAulay: P.E.I. is the same. We do not regulate the on-reserve child care centres.

Mr. Gary Merasty: I'll leave it at that for now.

Ms. Janet Davis: Madam Chair, I wonder if you could indulge me, in answer to the previous member's question.

The Vice-Chair (Ms. Ruby Dhalla): They're going to get an opportunity in the next round, so at that point, yes.

Ms. Janet Davis: Okay.

Ms. Ruby Dhalla: Mr. Savage, three minutes left.

Mr. Michael Savage: I'm going to let Ms. Davis have some time, but I want to make a statement after Mr. Brown's diatribe. It reminded me a little bit of John Baird and Kyoto. You'd think if Canada passed Kyoto and Bill C-303, it would be terrible, the end of the world, *Apocalypse Now*, instead of just having a cleaner, healthier country where children were able to reach their potential regardless of income.

It's amazing, some of the language you hear, but amusing; it is amusing.

With the rest of my time, I would like to give Ms. Davis a chance to answer her question. And if there's any time left, I'll donate it to the Bloc Québécois for future considerations.

Voices: Oh, oh!

The Vice-Chair (Ms. Ruby Dhalla): On that note, Ms. Davis, you have about two minutes.

Ms. Janet Davis: The question was about the various options, and one option was pillaging the provincial treasuries.

I don't think this bill is about pillaging any treasuries. This bill is about accountability. This bill is about ensuring that, for example, the \$250 million you are putting into child care will go into child care. The problem right now is that there are no conditions that will ensure the funding you spend will go into the programs and services they were intended to be spent on. It's about making sure that provincial governments who receive the money account for that money, so the public understands, when the federal government transfers money, how the provinces are spending it.

This bill is also about ensuring the money is spent on programs and services that are demonstrated to contribute to the healthy development of young children, not to be spent on roads or other kinds of priorities that provincial governments may decide they want to spend their money on.

Really, it's about accountability. That's what this bill is. It doesn't set out any requirement for spending dollars. It simply ensures that any dollars that are spent by the federal government are transferred to the provinces and are spent on those things they're intended to be spent on.

The Vice-Chair (Ms. Ruby Dhalla): Thank you.

On that note, we'll go to Mr. Chong.

Hon. Michael Chong (Wellington—Halton Hills, CPC): Thank you, Madam Chair.

Actually, accountability is a big issue. Each order of government in Canada is actually sovereign to its own area of responsibility. There's a bit of a misconception out there that somehow provinces in their own sphere of responsibility are accountable to the federal government. That is not the case constitutionally. As a matter of fact, it's not the case under the social union framework agreement. As a matter of fact, the social union framework agreement, which was a multi-party agreement signed by the Government of Canada and the various provinces, explicitly states that each order of government is responsible to its respective constituency.

I just want to set that on the record here, because I think it's a very important point to make in terms of fiscal federalism.

Our government acknowledges the need for child care. We acknowledge the need for early childhood learning programs. We also acknowledge the need for federal leadership in certain areas of provincial jurisdiction, whether that be health care, infrastructure, or post-secondary education and training. There may be other areas in which the federal government may decide to take leadership in utilizing the federal spending power. However, child care is not one of them.

I believe in strong federal governments and I believe in strong federal leadership in various areas, but I believe child care is best delivered by the provinces because child care and early childhood learning are really extensions of the public education systems. No federal government and no parliament would think of telling provinces how to run their public education systems; a similar argument can be made for early childhood learning programs.

Quebec has a certain system that's admired by people throughout the country. Ontario has the Early Years Centres. Ontario has the Ontario Institute for Studies in Education. A lot of these are

provincially driven in collaboration with provincial ministries of education or through the Council of Ministers of Education that meets from time to time.

What our opposition to the bill is really about is that this is a service best delivered by municipal and provincial governments. Maybe Madam Streach and Mr. Dent could tell us how they are working in collaboration with their provincial ministries of education in terms of early childhood learning strategies and indicate how they see that unfolding in coming years.

• (1155)

Hon. Charles Dent: Thank you.

I'm minister for education as well, and early learning and child care programs come under that ministry. There is a clear alignment. We have developed clear lines of what we expect to see in the programs. We have a direct role in supervising and in ensuring that operators are meeting the requirements. We have no problem with the four principles of quality, universality, accessibility, and accountability. We ensure that our programs meet those right now.

To me, Ms. Davis's comments strengthen the need for an approach that isn't unilateral across Canada, because right now we have that system in place. We report annually and very publicly on how we're spending our money. We send that report across Canada, in fact, so that others can find out how we spend money in early learning and child care, and we are spending way more of our money than we are of federal money.

What scares us about this bill is whether we will be able to continue getting that little portion of the federal money that we're getting right now. This isn't a situation in which our government is pocketing a bunch of money; we want to know that we're going to continue to get the little bit of support we're getting right now, and hopefully in the future build that into something more meaningful.

Hon. Judy Streach: Thank you very much for the question.

I want to state that I very much appreciate the commitment to respect our provincial jurisdiction, in the same way that we respect the federal jurisdiction and welcome the federal leadership on a variety of issues.

I want to also state that each province, and I'm here as a provincial minister, is accountable to its constituents. I'm accountable to my constituents and I'm accountable to Nova Scotians. That's where the accountability lies. The cooperative nature and the consultations that we have with the federal government are welcomed. We've enjoyed them in the past, and I know we will enjoy them in the future, but accountability rests within the parameters of our own province. I have to say that I take issue...and I resent the implication that the Nova Scotia government would misspend any dollars that came to Nova Scotia specifically intended for early learning and child care. I want to state that for the record.

The question about collaboration with education is one that I very much appreciate. As an educator I take special interest in the collaboration we have between our early learning child care and education. We have lots of good things to come when it comes to combining those two departments.

The Vice-Chair (Ms. Ruby Dhalla): Thank you very much.

Hon. Michael Chong: Are we out of time?

The Vice-Chair (Ms. Ruby Dhalla): We're scheduled to be finished at 12 o'clock, but I've had a few of our colleagues approach me to see if we can have another round of very quick questioning. I don't know what the timetable is like of our witnesses.

Hon. Judy Streach: I have a flight to catch. I'm sorry. I appreciate it, but I can't stay. Thanks.

The Vice-Chair (Ms. Ruby Dhalla): Mr. Lessard, you had one quick question.

[Translation]

Mr. Yves Lessard: Madam Chair, I would like to take advantage of the presence here of Madam Streach. I also wish that your colleague who has just left were still here.

I would like to come back to the issue that was brought up by our conservative friends, with regard to the ability to pay and to the fact that this falls under provincial jurisdiction. The Social Union Framework Agreement, or SUFA, that was signed in 1999, goes in the opposite direction of what you were saying, Mr. Chong. On the basis of this agreement, there must be a federal contribution in the form of financial support, and this support presently comes in the form of tax deductions for families.

•(1200)

[English]

The Vice-Chair (Ms. Ruby Dhalla): Just one second.

I want to say thank you to the minister for coming down from Nova Scotia. We really appreciate it. Thank you.

Sorry, Mr. Lessard, go ahead.

[Translation]

Mr. Yves Lessard: Our friends that we have invited here this morning could perhaps tell us if we have understood correctly. It is a question of financial means; each province, as well as Toronto, obviously, has the will to develop child care centres under the initiatives that have been taken.

However, the conservatives are now saying that it is a matter of societal choices and, as Mr. Chong stated, the development of child

care centres is not their choice. Their choice is the development of military equipment. They want a debate on child care funding, whereas there was no such debate last year with regard to the 17.5 billion dollars for military equipment. This is a decision that was made outside of Parliament. It was submitted to no committee and those people did not say a single word with a view to understanding what had taken place. Today, now that we are talking about children, they are trying to place the burden on those who wish to develop these programs. This is shameful! This is quite worrisome as a societal choice.

This must be stated here because this is part of the debate that we are having. Since this morning, the message being relayed is that it is virtually embarrassing to want to develop child care centres, because we do not have the money for it, whereas we have tens of billions of dollars for arms. This is rather worrisome for society.

[English]

The Vice-Chair (Ms. Ruby Dhalla): Thank you, Mr. Lessard.

Maximum two minutes, and then we're going to be calling the meeting to an end.

Mr. Lake.

Mr. Mike Lake: I have a couple of comments.

First of all, to Mr. Lessard, this is not really a question, but I am intrigued to know why he wouldn't consider it to be fair that Quebec would be under the same rules as other provinces in this legislation. That would be the one comment I would make there.

As for Ms. Davis's comment about the Ontario election, I hope you're not holding your breath for that Ontario election to come and that promise to be fulfilled, because if you talk to any parents in Ontario who have kids with autism—

[Translation]

Mr. Yves Lessard: Madam Chair, on a point of order.

[English]

Mr. Mike Lake: —you would note that they're still waiting.

The Vice-Chair (Ms. Ruby Dhalla): Mr. Lake, just one second.

[Translation]

Mr. Yves Lessard: Madam Chair, I am being attributed statements that I have never made.

I believe that the other provinces should receive the same treatment as Quebec, as long as they make the same choice. If they choose, as Quebec has done, to develop their own child care programs, to invest their money in the right places for that, then that is their choice.

[English]

The Vice-Chair (Ms. Ruby Dhalla): Mr. Lessard, that's not a point of order.

Mr. Lake, you have a minute and a half.

Mr. Mike Lake: I just want to comment on some of the numbers. These are interesting statistics that we have here. We've heard some numbers on the former Liberal program that never really ever got signed by most of the provinces.

For example, in P.E.I. the Liberals in 2006-07 would have promised \$3 million. In the first seven months, we delivered \$6.5 million in universal child care benefits, plus \$1.1 million in the most recent budget for the creation of spaces.

Now, Stéphane Dion is on record as saying that he wants to repeal the universal child care benefit, so I guess one question I would have is, first of all, do you concur with Mr. Dion that we should tell the parents—? What kind of feedback have you had from parents demanding that they should not have that universal child care benefit, for example?

The Vice-Chair (Ms. Ruby Dhalla): Thirty seconds, please.

Hon. Charles Dent: That's a tough question, because parents never regret having money in their pockets.

I would have to say it is really difficult for us to assess now whether or not that's turned into more support for child care in the territory.

Mr. Mike Lake: Right. I guess the point being, though, that the design of the—

The Vice-Chair (Ms. Ruby Dhalla): I'm sorry, Mr. Lake, your time is up.

I just want to take the opportunity on behalf of all of the committee members to thank our witnesses.

There was one question raised during the meeting with regard to the amendments that were mentioned by Ms. Chow and a few other individuals. The amendments, as of yet, have not been submitted. There is a deadline of May 9 to submit amendments to the bill because we will be listening to witnesses up until May 8.

Once again, thank you to our witnesses. It was an enjoyable session.

The meeting is adjourned.

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