



August 21, 2018

Shannon Fuller, Assistant Deputy Minister
Early Years and Child Care Division, Ministry of Education
Government of Ontario

Dear Assistant Deputy Minister:

We are writing regarding the memo sent to Early Years and Child Care Partners on August 20th, 2018.

Consistent with our long-standing position, the Ontario Coalition for Better Child Care emphatically objects to the removal of the For-Profit Maximum Percentage Threshold from the child care funding guidelines. This guideline was included as a key protection against the takeover of Ontario's child care sector by for-profit corporations.

As we are sure you are aware, there is a solid body of research evidence pointing to differences in quality between for-profit and non-profit child care. Among the conclusions of this research is that for-profit and non-profit operations show significant differences in staff wages and working conditions. Among the outcomes of the poorer workforce conditions in the for-profit sector are higher turnover and lower educational qualifications. For these kinds of reasons, Ontario has long distinguished between profit and non-profit child care in its funding mechanisms. The introduction of the For-Profit Maximum Percentage Threshold was consistent with this tradition and an important step in ensuring the most responsible and accountable use of new child care dollars.

The presence of child care expansion funding and the new government's promise of new cash rebates to parents create similar risky conditions to those present in Australia when a firm known as ABC Learning took advantage of a similar opportunity to build a hugely profitable monopoly. Ultimately, what began as well-intentioned policy went deeply wrong – resulting in the near-collapse of Australia's child care sector, angry parents, legal actions and a government bail-out costing taxpayers tens of millions of tax dollars. Ontario must be sure not to follow the same path, which is well-documented. As we are aware that large corporate child care firms have publicly expressed their intention to expand in Ontario, we believe that removing the Threshold at this time would place Ontario's child care sector, the Ontario government and Ontario taxpayers in a risky situation similar to Australia's.

Your memo mentions feedback on the policy changes from partners. To our knowledge, none of our coalition members have requested this change to the For-Profit Maximum Percentage Threshold and there have been no meetings or consultations to seek feedback on this matter. Thus, we are concerned about how important child care policy decisions are being made and about the lack of consultation with the child care community. After years of building trust, it would be disappointing if this step is the beginning of a chill in community relations.

In closing, we urge the Ministry to rethink this change to the For-Profit Maximum Percentage Threshold. We would be happy to work with you to initiate consultation with the child care community on this important matter that will have a significant impact on child care in Ontario.

Sincerely,

Carolyn Ferns, Public Policy and Government Relations Coordinator,
on behalf of the Ontario Coalition for Better Child Care Board of Directors

cc Hon. Lisa M. Thompson