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Auditor General Confirms that Canada is Falling Short on Child Care Space Targets

ACE Calls for Inclusive Approach to Expand Access for Families

A Canadian Coalition of Childcare Operators

OTTAWA, ON, CANADA, October 24, 2025 /EINPresswire.com/ -- A new report from The Auditor General has confirmed what operators and families have experienced: Canada is not meeting its childcare space creation targets. According to the 2025 report on the Canada-Wide Early Learning and Child Care (CWELCC) system, fewer than half of the promised 250,000 regulated spaces have been created, leaving accessible childcare out of reach for thousands of families. Many parents continue to face lengthy waitlists.

The Association of Canadian Early Learning Programs (ACE) says a significant factor is the limited participation of licensed private childcare providers in the system, despite their capacity and willingness to expand to meet demand.

“This report makes it clear that we’re not short on willing operators. We’re short on policies that let them participate.”
Krystal Churcher, Chair of ACE

“We have experienced childcare providers across the country who’ve spent years preparing to expand and investing private capital to meet demand, including hiring staff, signing leases, building centres, only to be blocked at the finish line,” said Krystal Churcher, Chair of ACE. “This report makes it clear that we’re not short on willing operators. We’re short on policies that let them participate.”

Despite $15 billion already transferred to provinces and territories, the report confirms that most of the spending went toward lowering fees rather than creating new spaces. Only $927 million was directed to space expansion over three years, compared to over $6 billion spent on affordability initiatives. ACE says this imbalance highlights a need to redirect investment toward capacity growth.

The AG's report indicates that 138,000 new spaces still need to be created by March 2026 to meet targets, more than double the annual pace achieved so far. With just 158 days remaining, Canada would need to create 873 new childcare spaces every single day, seven days a week, to reach the target. Despite this urgent need for rapid expansion, some provinces have paused private centres' access to CWELCC grants, in some cases affecting operators who had already invested over $1 million per site during construction or recruitment phases.

The AG also found that the federal government lacked clear data on unmet demand and equitable access, and called for improved transparency in tracking results.

ACE believes these challenges reflect policy design choices that have limited the participation of licensed private and home-based operators, even though they are required to meet the same regulatory standards as non-profit providers.

ACE is calling for immediate action to restore equity and unlock expansion:
□□ Expand eligibility criteria to include all licensed providers in space creation grants and CWELCC participation
□□ Implement a funding model based on quality standards and regulatory compliance rather than ownership type
□□ Introduce direct subsidies to parents, empowering family choice and system flexibility

"This report shows that the Canada-Wide Early Learning and Child Care system needs to prioritize results over provider type," Churcher added. “When billions of public dollars are spent without creating the spaces families need, and with lacking transparency and limited accountability, including the federal government’s failure to establish oversight for significant funding streams like that for Indigenous child care, it shows governments have put political ideology ahead of people and choice.”

"The federal government has an opportunity to expand the system by welcoming all quality providers to deliver on the $10-a-day promise. The children and families of Canada deserve a system built on transparency, quality, and accessibility that leverages every available licensed provider."

About the Association of Canadian Early Learning Programs (ACE)
The Association of Canadian Early Learning Programs (ACE) is a unified coalition of licensed childcare providers across Canada — from home-based care to nonprofit centres and private operators. ACE advocates for a childcare system that is accessible, high-quality, affordable, and above all, sustainable. As frontline providers, ACE members bring firsthand experience and practical insight to the national conversation on childcare policy. United in our commitment to families, educators, and communities, we believe the $10-a-day promise can only be fulfilled through inclusive, well-funded, and collaborative policymaking that respects the diversity of care models and the professionals who make early learning possible.

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