



**2025** REPORT OF THE AUDITOR GENERAL OF CANADA  
TO THE PARLIAMENT OF CANADA

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# Canada-Wide Early Learning and Child Care System



Office of the  
Auditor General  
of Canada

Bureau du  
vérificateur général  
du Canada

**INDEPENDENT  
AUDITOR'S REPORT**

## **Performance audit reports**

This report presents the results of a performance audit conducted by the Office of the Auditor General of Canada (OAG) under the authority of the Auditor General Act.

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- gather the evidence necessary to assess performance against the criteria
- report both positive and negative findings
- conclude against the established audit objectives
- make recommendations for improvement when there are significant differences between criteria and assessed performance

Performance audits contribute to a public service that is ethical and effective and a government that is accountable to Parliament and Canadians.

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Cat. No. FA1-27/2025-1-5E-PDF

ISBN 978-0-660-78916-3

ISSN 2561-343X

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# At a Glance



## Overall message

Overall, Employment and Social Development Canada supported provincial, territorial, and Indigenous initiatives to improve early learning and child care in Canada. Most regulated early learning and child care spaces had become more affordable since 2021 in part because of federal funding.

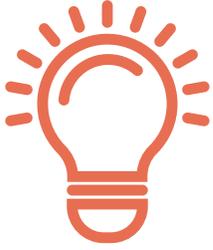
The government committed to providing \$35 billion over 5 years from April 2021 to March 2026 to provincial and territorial governments and Indigenous partners to support a Canada-wide early learning and child care system. It also committed to providing ongoing funding after those 5 years had elapsed. We found that as of March 2024, provincial and territorial governments reduced the average out-of-pocket fees for regulated child care spaces that received federal funding to approximately \$16.50 per day across Canada. The target is to reach an average of \$10 per day by March 2026. As of March 2024, 5 provinces and 3 territories had already met this target.

The department's 5-year targets included not only lowering daily fees but also increasing the available number of regulated early learning and child care spaces by 250,000. However, over 3 years, we found that a little more than 112,000 new spaces had been created. With more than half of the spaces to be created in the final 2 years, there is a risk that the target could not be met, which would mean that families in Canada will have less access to early learning and child care than was planned.

Not only are fewer spaces being created than anticipated, but those spaces may also not be equitably accessible to diverse or vulnerable families. The department did not collect sufficient information to analyze whether the implementation of provincial and territorial plans would provide equitable access, despite that objective having been set out in funding agreements.

The department also lacked information to provide timely or comprehensive reports. For instance, it could not report on progress on initiatives for Indigenous early learning and child care, such as facility renovations or repairs. The department also had difficulty evaluating the performance of provincial and territorial governments, as it did not have comparable information. These gaps in data need to be addressed for the department to better understand whether the system is both financially sustainable and meeting the needs of families in Canada.

## Key facts and findings



- According to Statistics Canada, there were more than 2.2 million children aged 5 years and under in Canada in 2021. As of early 2022, a little more than half of these children were in some form of child care, at an average cost of \$31 per day for full-time care.
- In the 3 fiscal years ending March 31, 2024, provincial and territorial governments spent \$12 billion of the \$15 billion in federal funding provided through funding agreements for early learning and child care initiatives. Indigenous partners spent \$1.9 billion on initiatives, which was nearly all of the \$2 billion available through various federal programs and initiatives.
- Employment and Social Development Canada was more than 4 years behind on reporting to the public about the results of the Canada-wide program through national progress reports. Recent legislation added requirements for the Minister of Jobs and Families, who is supported by the department, to prepare annual reports on progress.

See [Recommendations and Responses](#) at the end of this report.

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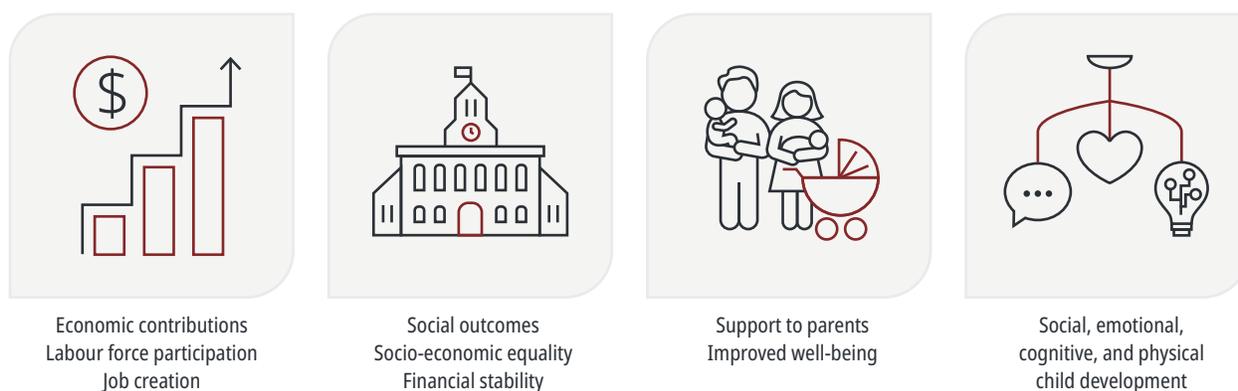
# Introduction

## Background

### Early learning and child care

1. For many years, the positive effects of early learning and child care have been widely recognized ([Exhibit 1](#)). The United Nations Educational, Scientific and Cultural Organization describes early learning and child care as the holistic development of a child's social, emotional, cognitive, and physical needs from birth to build a solid and broad foundation for lifelong learning and well-being. In Canada, universal child care was recommended more than 50 years ago in the Report of the Royal Commission on the Status of Women in Canada. The Government of Quebec launched its affordable child care program almost 30 years ago ([Exhibit 2](#)).

**Exhibit 1**—Positive effects of early learning and child care



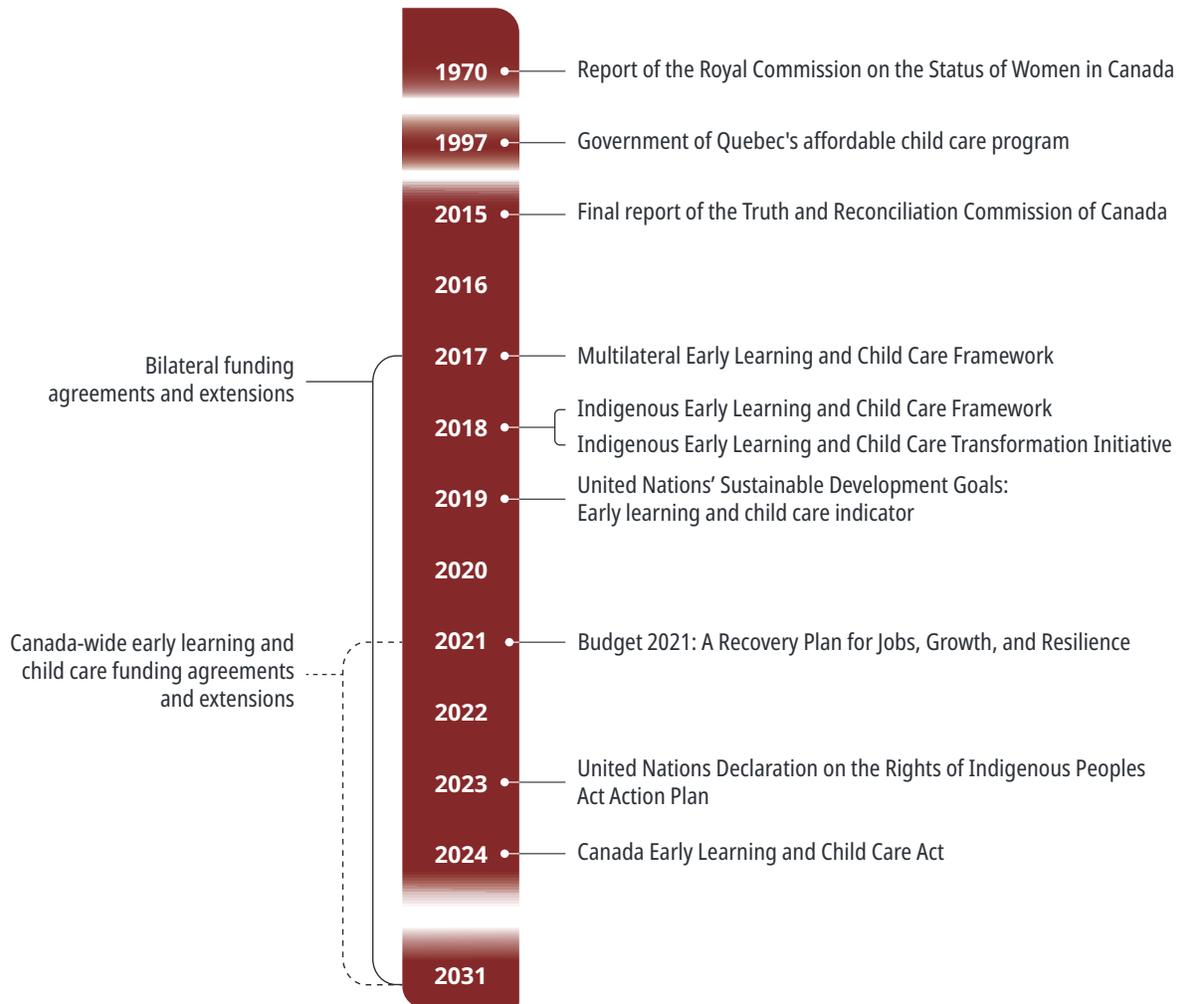
Source: Based on various public studies on early learning and child care

### [Read the Exhibit 1 text description](#)

2. In March 2024, the Canada Early Learning and Child Care Act established the federal government's vision for a Canada-wide system where all families in Canada have access to affordable, high-quality, flexible, and inclusive early learning and child care, regardless of where they live. According to this act, federal investments are to be guided by frameworks established in 2017 and 2018 ([Exhibit 2](#)). The Multilateral Early Learning and Child Care Framework, established by federal, provincial, and territorial

governments, sets out 5 principles to guide public investments in early learning and child care—high-quality, accessible, affordable, flexible, and inclusive. The Indigenous Early Learning and Child Care Framework, co-developed by the federal government and Indigenous partners, supports and guides the design, delivery, and governance of an Indigenous early learning and child care system based in self-determination and respecting the specific priorities of First Nations, Inuit, and Métis Nation partners.

**Exhibit 2**—Key milestones toward a Canada-wide early learning and child care system



Source: Based on various public studies on early learning and child care and information provided by Employment and Social Development Canada

[\*\*Read the Exhibit 2 text description\*\*](#)

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**Funding**

3. In April 2021, the government committed to working with provincial and territorial governments and Indigenous partners to support a Canada-wide early learning and child care system. The federal government committed \$35 billion in funding over 5 fiscal years and included several planned actions and objectives ([Exhibit 3](#)). In 2025, the government extended funding agreements with most provincial and territorial governments to March 2031, with an average annual increase of 3% in funding beginning April 2027 and ending March 2031. If signed, these extensions will amount to approximately \$44.5 billion of federal funding over the 5 fiscal years.

**Exhibit 3**—Federal funding to support the Canada-wide early learning and child care system for the 2021–22 to 2025–26 fiscal years

Initiative	Planned funding	Planned actions and objectives
Establish and implement a Canada-wide early learning and child care system	\$30.7 billion	<p>Support and create more high-quality, affordable child care spaces across the country.</p> <p>As announced in Budget 2021, work with provincial and territorial governments to build a Canada-wide, community-based system of quality child care. Federal funding supports provincial and territorial governments to:</p> <ul style="list-style-type: none"> <li>• increase the number of quality, affordable child care spaces across the country by up to 250,000 spaces by March 2026</li> <li>• reduce average fees for regulated child care by 50% by December 2022, with a goal of reaching \$10 per day on average by March 2026</li> <li>• support the work of early childhood educators</li> <li>• improve and expand before- and after-school care to provide more flexibility for working parents or guardians</li> <li>• build a strong baseline of data on which to measure progress, report to Canadians, and improve the Canada-wide system</li> </ul>

Initiative	Planned funding	Planned actions and objectives
Address the needs of Indigenous families and communities	\$4.0 billion	<p>Support the First Nations and Inuit Child Care Initiative, the Aboriginal Head Start on Reserve Program, and the Aboriginal Head Start in Urban and Northern Communities Program.</p> <p>Implement the Indigenous Early Learning and Child Care Transformation Initiative.</p> <p>As announced in Budget 2021, work with Indigenous partners to continue the progress toward an early learning and child care system that meets the needs of Indigenous families wherever they live. Federal funding supports Indigenous partners to:</p> <ul style="list-style-type: none"> <li>• create up to 3,300 new early learning and child care spaces</li> <li>• support before- and after-school care on reserve</li> <li>• build, train, and retain a skilled workforce and allow providers to offer more flexible and full-time hours of care</li> <li>• repair and renovate existing Indigenous early learning and child care centres and build and maintain new centres</li> </ul>
Government of Canada administration	\$217 million	<p>Administer the Canada-wide early learning and child care system with provincial, territorial, and Indigenous partners through the Federal Secretariat on Early Learning and Child Care, and administer the Indigenous early learning and child care horizontal initiative.</p> <p>Create a national advisory council to provide expert advice and a forum for consultation on issues and challenges facing the sector.</p>
Other related initiatives	\$65 million	Provide funding for early learning and child care in official language minority communities and for creating accessible child care spaces.
<b>Total</b>	<b>\$35.0 billion</b>	

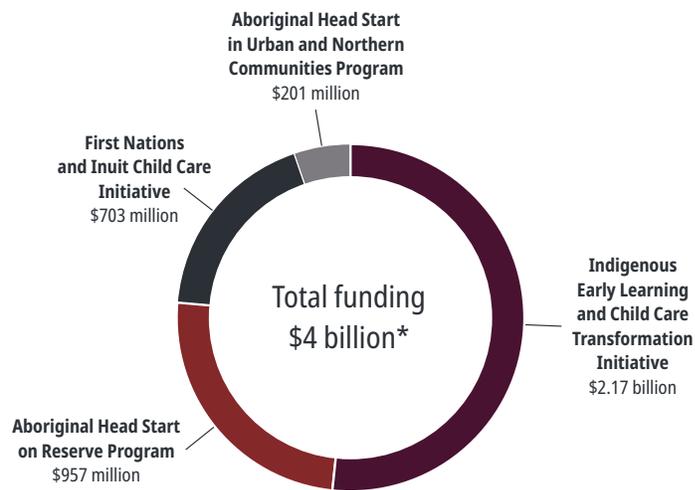
Source: Based on federal budgets and other documents provided by Employment and Social Development Canada

Indigenous early learning and child care

4. The federal government supports early learning and child care services for Indigenous children in several ways. It provides funding to provincial and territorial governments and directly to Indigenous partners through long-standing programs ([Exhibit 3](#)). All these federal supports promoted a distinctions-based approach—an approach that acknowledges, affirms, and implements the unique rights, histories, cultures, interests, and circumstances of First Nations, Inuit, and the Métis Nation.

5. In 2018, the federal government launched the Indigenous Early Learning and Child Care Transformation Initiative—a horizontal initiative for which Employment and Social Development Canada was the lead department. This initiative provides additional funding to, and supports the coordination of, the other 3 long-standing federal programs shown in [Exhibit 4](#). It also advances the principles and goals of the Indigenous framework toward the transfer of Indigenous early learning and child care to Indigenous partners.

**Exhibit 4**—Federal funding for Indigenous early learning and child care programs and initiatives for the 2021–22 to 2025–26 fiscal years



\* Rounded

Note: Dollar amounts include legacy and new funding for grants and contributions provided by Employment and Social Development Canada, Indigenous Services Canada, Crown-Indigenous Relations and Northern Affairs Canada, and the Public Health Agency of Canada.

Source: Based on federal budgets and other documents from Employment and Social Development Canada

[Read the Exhibit 4 text description](#)

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## Roles and responsibilities

6. **Employment and Social Development Canada.** The department is responsible for providing transfer payments to provincial and territorial governments and Indigenous partners and for managing the respective funding agreements in accordance with government policies and directives. To support this work, the department established the Federal Secretariat on Early Learning and Child Care and the Indigenous Early Learning and Child Care Secretariat. It also commissioned various data and research projects to be conducted by Statistics Canada and organizations in the early learning and child care sector.

7. The department cooperates, collaborates, and works in partnership with other federal departments, provincial and territorial governments, and Indigenous partners to support the implementation of the Canada-wide early learning and child care system. The Constitution of Canada gives provincial and territorial governments jurisdiction over education and allows the federal government to work in partnership with First Nations, Inuit, and the Métis Nation to support the early learning and child care needs of Indigenous children.

## Focus of the audit

8. This audit focused on whether Employment and Social Development Canada fulfilled its responsibilities to support early learning and child care across Canada.

9. This audit is important because the federal government committed \$35 billion over 5 fiscal years to work with provincial and territorial governments and Indigenous partners to build a Canada-wide early learning and child care system. With the widely recognized positive effects of early learning and child care in mind, these investments are critical to achieving the federal government's vision to ensure the best possible start for children in Canada by having access to affordable, high-quality, flexible, and inclusive early learning and child care, regardless of where they live. The investments are equally important to achieving Indigenous early learning and child care that are guided by Indigenous knowledge, languages, and culture and that support First Nations, Inuit, and Métis self-determination.

10. More details about the audit objective, scope, approach, and criteria are in [About the Audit](#) at the end of this report.

# Findings and Recommendations

## Employment and Social Development Canada supported provincial and territorial initiatives to improve early learning and child care

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### Why this finding matters

11. This finding matters because many families in Canada, particularly families more in need, benefit from having access to affordable, inclusive, and high-quality child care. According to the multilateral and Indigenous early learning and child care frameworks, families more in need are families with diverse and exceptional needs who face barriers to accessing early learning and child care, such as lower-income families, Indigenous families, lone-parent or -guardian families, families in underserved communities, and families with children with varying abilities. This finding also matters because in Budget 2021, the government indicated that a Canada-wide early learning and child care system would drive economic growth, increase women's participation in the workforce, and give every child in Canada the same head start.

12. Given the significant federal investment of \$35 billion into the sector, it is important that Employment and Social Development Canada effectively managed the program to ensure that the objectives set out in funding agreements were met and that federal funds achieved intended results within agreed-on timelines.

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### Context

13. Since June 2017, the federal government set out to implement the vision described in the multilateral framework through bilateral funding agreements with respective provincial and territorial governments ([Exhibit 2](#)). Starting in July 2021, the government entered into additional funding agreements, called the Canada-wide early learning and child care funding agreements, for the 2021–22 to 2025–26 fiscal years. Each of the Canada-wide funding agreements established the respective governments' roles and responsibilities and set the jurisdiction-specific approach, commitments, and objectives.

14. While some details varied by jurisdiction, the objectives of most 5-year Canada-wide early learning and child care funding agreements were similar. The agreements defined the eligible use

of federal funding to achieve the objectives, such as increasing the number of regulated child care spaces. The provincial and territorial governments were free to allocate funds as they saw fit across the objectives and also invested their own funding toward these objectives. Federal funding was limited, so the objectives came with some inherent trade-offs. For example, reducing the cost of child care increases demand, which increases the need for more educators and spaces. Wage enhancements for educators and space creation draw funds from the same sources of funds as affordability measures.

15. Provincial and territorial governments, except for Quebec, were required by funding agreements to establish action plans describing their planned initiatives, over the 5 fiscal years, to achieve the objectives set out in the funding agreements. The respective action plans were approved by the then Minister of Families, Children and Social Development. Similarly, provincial and territorial governments, except for Quebec, were required to report results to the department through annual reports and audited financial statements on the use of federal funds. Provincial and territorial governments had 6 months after the end of each fiscal year to provide reporting. Because the Government of Quebec already had an affordable and well-established system, the Government of Canada agreed to provide funding on this basis without requiring Quebec to provide action plans or annual reports on the use of federal funding.

16. The administration of the Indigenous Early Learning and Child Care Transformation Initiative was considerably different than the administration of the funding agreements with provincial and territorial governments. The initiative was co-managed through a partnership model, which comprised more than 60 national, regional, and sub-regional partnership tables as well as bilateral relationships with modern treaty and self-governing nations. Under this partnership model, Indigenous leadership made decisions on regional allocations, work plans, and priorities for the use of funding, including that of the 3 long-standing programs described in [Exhibit 4](#). Indigenous early learning and child care are discussed starting in [paragraph 38](#).

## Most early learning and child care spaces had become more affordable

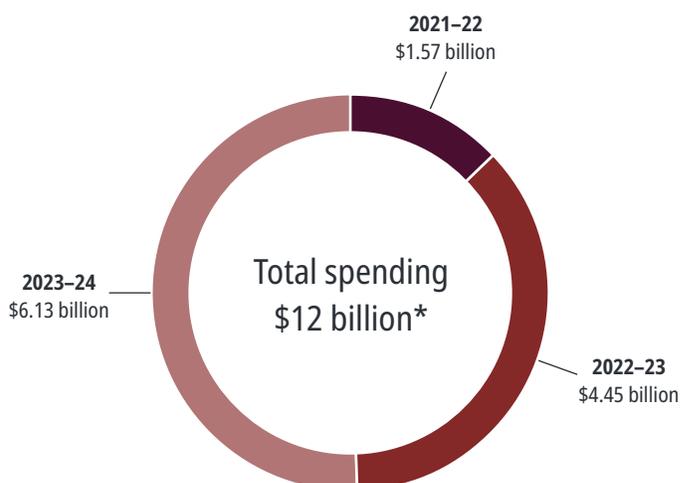
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### Findings

17. We compiled and analyzed the information in annual reports provided to the department and considered the respective federal funding provided to the Government of Quebec. In all, we found that provincial and territorial governments spent about

\$12 billion of the \$15 billion in federal funding available between the 2021–22 and 2023–24 fiscal years across all initiatives to support a Canada-wide early learning and child care system ([Exhibit 5](#)).

**Exhibit 5**—Between the 2021–22 and 2023–24 fiscal years, provincial and territorial governments spent about \$12 billion in federal funding to improve early learning and child care



\* Rounded

Source: Based on annual reporting from provincial and territorial governments and respective federal funding provided to the Government of Quebec

### [Read the Exhibit 5 text description](#)

18. We found that provincial and territorial governments, outside of Quebec, used the majority of the federal funding—\$6.44 billion over 3 fiscal years—to improve the affordability of early learning and child care. Among other initiatives, the provincial and territorial governments reported that they gave grants to child care centres or providers and subsidies to parents or guardians. We were not able to identify the spending allocation for the Government of Quebec given that its agreements do not require annual reports on the use of federal funding.

19. We also found that the governments of Quebec and the Yukon already offered affordable child care below \$10 per day by April 2021, and we found that all remaining provincial and territorial governments reported that by December 2022, they had reduced by 50% the average out-of-pocket fees that parents or guardians paid for regulated spaces that were part of the Canada-wide program. This was the initial affordability objective set out in funding agreements ([Exhibit 6](#)). Further, based on summarized information reported by provincial and territorial governments in their annual reports, we estimated that as of March 2024,

the average fee paid throughout Canada for full-time child care was approximately \$16.50 per day. This included 5 provincial and 3 territorial governments that reported achieving the \$10-per-day objective ahead of March 2026.

**Exhibit 6**—The department assessed results for most performance objectives set out in Canada-wide early learning and child care funding agreements

Guiding principle	Performance objectives	Elements the department assessed	Risks to not achieving performance objectives
Affordability	<p>Reduce the average out-of-pocket fees paid for regulated early learning and child care spaces, typically for children under age 6:</p> <ul style="list-style-type: none"> <li>• Reduce fees by 50%, relative to an agreed-on baseline year, by the end of December 2022.</li> <li>• Reduce fees to an average of \$10 per day by the end of March 2026.</li> </ul>	<p>Employment and Social Development Canada assessed that:</p> <ul style="list-style-type: none"> <li>• by December 2022, the average out-of-pocket fees paid for regulated spaces participating in the federal program were reduced by 50%</li> <li>• by March 2024, 5 provincial and 3 territorial governments reduced fees paid to an average of \$10 per day</li> <li>• by March 2026, the remaining 5 provincial governments are expected to meet this commitment</li> </ul>	<p>Some provincial governments raised concerns about the financial sustainability of the program beyond 2026, given inflationary pressures and various challenges facing the sector.</p>
Access	<p>Create more than 250,000 new regulated spaces, typically for children under age 6, relative to established baselines, by the end of March 2026.</p>	<p>Employment and Social Development Canada assessed that provincial and territorial governments created 94,736 new spaces as of March 2024. A public dashboard from Quebec also reported that 17,429 new spaces were created in Quebec by that date.</p> <p>In total, this represented 112,165 new spaces created as part of the Canada-wide program by March 2024.</p>	<p>There is a risk that provincial and territorial governments could fall short of the target of 250,000 new spaces created by March 2026.</p>

Guiding principle	Performance objectives	Elements the department assessed	Risks to not achieving performance objectives
Quality	<p>Make progress on improving quality, including:</p> <ul style="list-style-type: none"> <li>• develop and implement evidence-based quality frameworks, standards, and tools</li> <li>• develop and implement a wage grid or wage enhancements for educators</li> <li>• increase the number of educators who fully meet certification requirements toward an established target</li> </ul>	<p>Employment and Social Development Canada assessed that:</p> <ul style="list-style-type: none"> <li>• quality frameworks, standards, and tools were implemented</li> <li>• wage grids for educators were implemented or wage enhancements were made</li> <li>• educators who fully met certification requirements increased</li> </ul>	<p>For most provincial and territorial governments, Employment and Social Development Canada did not assess whether the increase of educators who fully met certification requirements was on track to meet the established target.</p>
Inclusion and flexibility	<p>Develop and fund a plan to ensure that vulnerable children and children from diverse populations have equitable access to regulated child care spaces in proportion to their share of the population.</p> <p>Track the number of inclusive spaces with inclusive programming dedicated to children from diverse or vulnerable families.</p>	<p>Employment and Social Development Canada assessed that provincial and territorial governments developed and funded plans for inclusion and flexibility.</p>	<p>For most provincial and territorial governments, Employment and Social Development Canada did not effectively assess the number of inclusive spaces and whether the plans developed by the provincial and territorial governments would ensure eventual equitable access to regulated child care spaces.</p>
Reporting	<p>Share financial and administrative data needed to monitor progress in establishing the Canada-wide system.</p>	<p>Employment and Social Development Canada assessed that provincial and territorial governments shared financial and administrative data when the governments had the capacity to do so.</p>	<p>Employment and Social Development Canada missed opportunities to seek out comparable performance information to effectively monitor national progress of the Canada-wide early learning and child care system.</p>

Source: Based on information from Canada-wide early learning and child care funding agreements with provincial and territorial governments and related annual reporting provided by the provincial and territorial governments

## The target to create 250,000 new early learning and child care spaces by March 2026 was at risk of not being met

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### Findings

20. We found that provincial and territorial governments, outside of Quebec, used \$927 million of federal funding over 3 fiscal years to create new regulated early learning and child care spaces, mostly in not-for-profit settings and for children under age 6. Among other initiatives, the provincial and territorial governments reported that they provided capital funding and space creation grants to child care centres and providers.

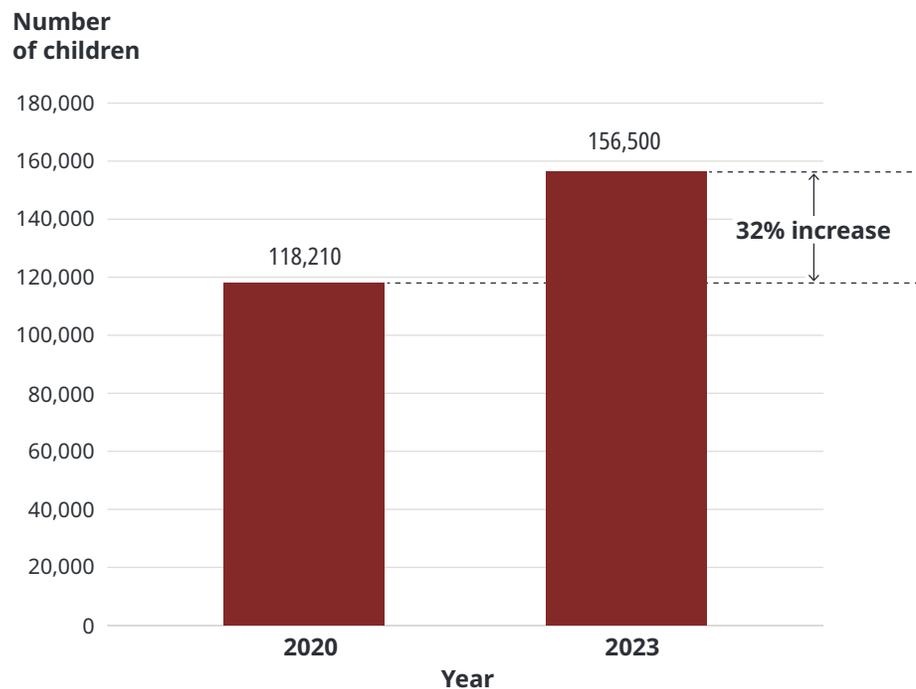
21. We found that provincial and territorial governments collectively reported that they had created 112,165 new regulated child care spaces by March 2024 ([Exhibit 6](#)). However, we found that the department was not tracking spaces in the same way across provincial and territorial governments. For example, the department chose to count several hundred new spaces occupied by older school-aged children reported by 1 provincial government, even though the 250,000-space creation target was for regulated spaces for children under age 6. This meant that the department's tracking did not offer a consistent and comparable view of affordable regulated spaces created across Canada for children under age 6.

22. In addition, given the reported progress for the creation of new child care spaces over the 3 fiscal years, there is a risk that the results for the remaining 2 fiscal years could fall short of 250,000 new regulated spaces being available to families for enrollment of children under age 6 by March 2026. Based on reported results for the fiscal year ended March 2024, where provincial and territorial governments collectively reported that they created approximately 43,000 spaces, they would need to create about 69,000 more spaces per year, for the following 2 years, to meet the overall 250,000-space target.

23. We also found that the annual reporting from provincial and territorial governments provided the department limited information about the unmet demand for child care across jurisdictions. The funding agreements required provincial and territorial governments to report annually, if able, on several elements, including information about unmet demand. This information would provide the federal government additional insights about the extent of new child care spaces being created and whether more families could access the child care they needed. Over the audit period, most provincial and territorial governments did not report such information.

24. Instead, we found that the department monitored the level of unmet demand through the results of surveys conducted by Statistics Canada to observe trends over time. These surveys demonstrated that in 2023, more families in Canada faced difficulties in accessing child care. For example, they faced difficulties finding care that fit their work schedules or that could accommodate their children’s special needs. Among families whose children were not in child care, the most frequent type of difficulty reported was that care for their children was not available in their communities, and this increased between 2020 and 2023 ([Exhibit 7](#)).

**Exhibit 7**—More parents and guardians reported difficulty finding care for their children in their communities in 2023 than in 2020



Source: Survey on Early Learning and Child Care Arrangements, Statistics Canada, 2020, and Canadian Survey on Early Learning and Child Care, Statistics Canada, 2023

[Read the Exhibit 7 text description](#)

25. Our recommendation for this section is at [paragraph 53](#).

## The department assessed that pay and training for early learning and child care educators improved

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### Findings

26. While the quality of early learning and child care involves various facets, such as a child's environment, routines, activities, and interactions, the performance objectives for quality in the Canada-wide early learning and child care funding agreements were broader. They involved frameworks, standards, tools, and improvements to pay and training for educators. We found that provincial and territorial governments, outside of Quebec, used \$1.05 billion of federal funding over 3 fiscal years to improve the quality of early learning and child care. Among other initiatives, the provincial and territorial governments reported that they:

- improved quality frameworks, curriculums, standards, and tools
- developed wage grids for educators or took other measures to support recruitment and retention, such as wage top-ups, enhancements, and other benefits
- provided grants and supports for increased professional development for educators

27. Overall, we found that the department assessed that the results of quality initiatives reported by the provincial and territorial governments demonstrated progress toward the quality objectives set out in funding agreements ([Exhibit 6](#)). However, we found that for most of the provincial and territorial governments, the department had not assessed some elements of the progress, such as whether the increase in educators who met certification requirements was on track to meet the established targets.

## The department lacked the information to assess initiatives for inclusion in early learning and child care

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### Findings

28. We found that provincial and territorial governments, outside of Quebec, used \$329 million of federal funding over the 3 fiscal years to improve the inclusion of diverse families or vulnerable families in early learning and child care and to provide flexible options to help meet their needs. Performance objectives for inclusion were described in respective funding agreements and were guided by the Multilateral Early Learning and Child Care Framework and the unique context in each jurisdiction. Among other initiatives, the provincial and territorial governments reported that they

developed plans and strategies, provided inclusion support grants, funded support services for vulnerable children and families, and offered training and workshops to child care centres and providers.

29. We found that for most provincial and territorial governments, the department lacked information to assess whether these initiatives met the inclusion objectives established in funding agreements ([Exhibit 6](#)). Overall, the department tracked whether each provincial or territorial government had developed and funded a plan for inclusion, as was required, though there were no set timelines for when such plans were to be implemented. However, we found that for most jurisdictions, the department lacked the information to analyze important aspects of these plans, such as the number of inclusive spaces available for vulnerable or diverse children relative to their share of the population. Several jurisdictions were still building their capacity to collect such information. The department needed this information to evaluate whether the plans would ensure eventual equitable representation of regulated child care spaces in Canada, which was a performance objective in most funding agreements.

30. We also found that provincial and territorial governments used varying definitions and approaches to report on the number of spaces with inclusive programming. While the tracking of such spaces was required in each respective funding agreement, the department did not attempt to compile this information, reducing the usefulness of the reported information and resulting in an inability to assess national progress.

31. Further, several provincial and territorial governments reported to the department about limitations in their abilities to collect and report data related to diverse or vulnerable children and families for early learning and child care and were exploring options to overcome these limitations. This situation persisted over our audit period. Meanwhile, the department sought information from other sources, such as surveys that it commissioned to be conducted by Statistics Canada, to supplement its understanding. However, we found that while these surveys collected data at an aggregate level, it did not allow the department to assess the achievement of inclusion objectives in funding agreements in a detailed and timely way.

32. It was important for the department to assess whether the program met inclusion objectives. This was because the program was expected to contribute to other related government initiatives. For example:

- In Canada's 2018 poverty reduction strategy, Employment and Social Development Canada indicated that federal investments in early learning and child care would help reduce the incidence of poverty.
- In its 2023 to 2027 Departmental Sustainable Development Strategy, the department referred to provincial and territorial commitments to develop and fund plans to ensure that vulnerable communities have equitable access to regulated child care spaces.
- The Gender Results Framework helped guide the preparation of the 2021 federal budget, where the government reported that investments in early learning and child care would facilitate women's participation in the paid labour force, particularly given pre-existing inequalities and impacts on women from underrepresented groups.

33. Our recommendation for this section is at [paragraph 53](#).

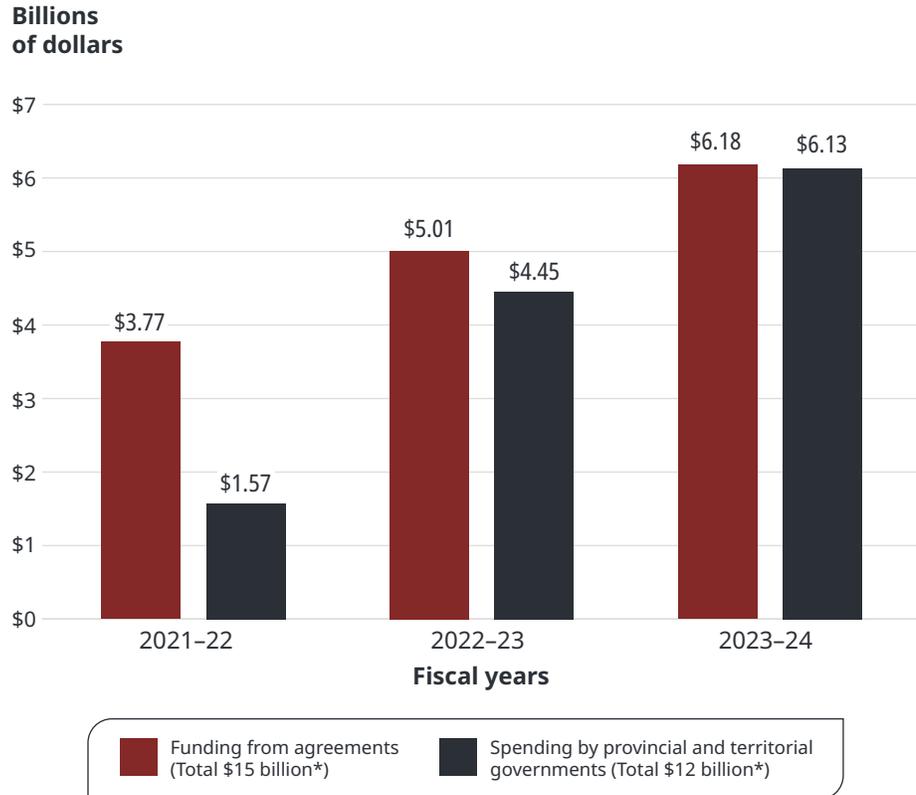
## **The department tracked the federal funding that provincial and territorial governments spent**

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### Findings

34. We found that in the first 3 fiscal years, provincial and territorial governments spent about \$12 billion of the about \$15 billion in funding available to them between the 2021–22 and 2023–24 fiscal years ([Exhibit 8](#)).

**Exhibit 8**—Between the 2021–22 and 2023–24 fiscal years, provincial and territorial governments spent less than the available funding



\* Rounded

Source: Based on information from funding agreements with provincial and territorial governments, related annual reporting from provincial and territorial governments, and respective federal funding provided to the Government of Quebec

**[Read the Exhibit 8 text description](#)**

35. Several of the Canada-wide funding agreements were signed toward the end of the 2021–22 fiscal year, which limited the progress that could be made in that year. Around the same time, the COVID-19 pandemic significantly affected the sector because facilities closed and the availability of educators was reduced. Nevertheless, provincial and territorial governments—outside Quebec—established action plans for the use of federal funding over the 5-year period, and the department reviewed these plans to ensure that initiatives were aligned with performance objectives and eligible for funding.

36. As set out in funding agreements, provincial and territorial governments carried forward unspent funding to the subsequent fiscal year. The department was entitled to recover the funding if still unspent after the second fiscal year, and it did so on a few occasions, each for about \$1.0 million, on average. However, we found that as of March 2024, the provincial and territorial governments had accumulated unspent funding of about \$2.6 billion to be used in the subsequent fiscal year. Unspent funding arose when:

- initiatives were deferred or targets established by the provincial and territorial governments on their initiatives were not met
- the department temporarily held back payments to the provincial or territorial governments while required reporting was overdue or in the process of being finalized

37. In each case, we found that the department engaged with the provincial and territorial governments to understand the reasons for delays and any mitigation strategies to be implemented.

## The department lacked information to assess whether objectives for Indigenous early learning and child care were met

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### Why this finding matters

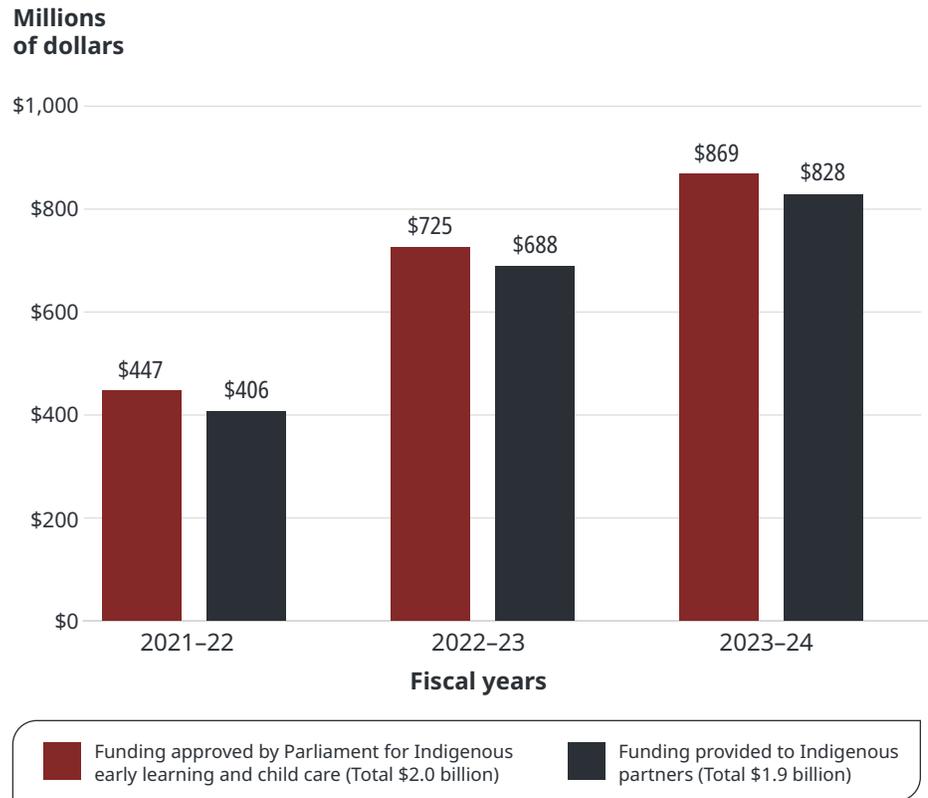
38. This finding matters because the government committed to helping close some of the persistent gaps faced by Indigenous people in accessing high-quality, culturally relevant child care programs and services. These programs and services support the government's United Nations Declaration on the Rights of Indigenous Peoples Act Action Plan and contribute toward reconciliation with Indigenous peoples.

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### Context

39. As described in [paragraph 5](#) and [paragraph 16](#), Employment and Social Development Canada and 3 federal partner departments provide funding to Indigenous partners for several Indigenous early learning and child care initiatives. Employment and Social Development Canada, the lead federal department, reports annually on this funding in an appendix to its departmental results report. The department reported that the horizontal initiative spent \$1.9 billion for Indigenous early learning and child care over 3 fiscal years ([Exhibit 9](#)). This was nearly all the \$2 billion committed in federal budgets for those 3 fiscal years.

**Exhibit 9—Between the 2021–22 and 2023–24 fiscal years, federal departments provided \$1.9 billion to Indigenous partners**



\* Rounded

Source: Based on public budgets, departmental results reports, and other documents from Employment and Social Development Canada

[Read the Exhibit 9 text description](#)

**The department lacked information to assess whether federal funding improved Indigenous early learning and child care**

**Findings**

40. We found that Employment and Social Development Canada lacked the information to compile meaningful results of federal funding for Indigenous early learning and child care. This was because it did not have complete and accurate performance information, such as the number of spaces at Indigenous early learning and child care sites, and did not have baseline information against which to assess ongoing results.

41. In 2018, the federal government committed to co-developing a performance measurement plan, in collaboration with Indigenous partners, to measure the results of federal investments in Indigenous early learning and child care. Measuring and sharing results with families, communities, and partners are needed to support the principles of accountability and transparency in the Indigenous Early Learning and Child Care Framework. We found that the performance measurement plan, initially scheduled to be completed by March 2022, was only co-developed in a draft format in early 2025. If the draft documents are adopted, a full cycle of results reporting will not be completed until 2027, almost a decade after the Indigenous Early Learning and Child Care Transformation Initiative was first established.

42. Until the co-developed performance measurement plan could be put in place, the department established an interim reporting strategy in 2019 to help meet requirements in government policies to assess whether federal funding was achieving desired outcomes. The department initially established 8 interim performance indicators and added 2 more in 2024. The indicators were established to collect baseline data relating to the availability, access, and quality of Indigenous early learning and child care.

43. We found that over the 6 years since the initial 8 interim indicators were established to the end of our audit period, the department, despite having collected some performance information, lacked reliable baseline data and had not established any performance targets. We found this was because:

- the level of enrollment of children in early learning and child care sites fluctuated during the COVID-19 pandemic
- the department lacked performance information on the interim indicators from many Indigenous partners
- the department had not yet established alternative ways to collect information about results, such as voluntary data sharing agreements with those Indigenous partners that were not required to provide performance information because of the specific terms of their agreements, including modern treaty and self-governing First Nations

44. More recently, the department evaluated the initiative since its inception to March 2023. We found that, while the department's evaluation of the initiative provided some examples of improvements in Indigenous early learning and child care, it was only able to report limited findings because of a lack of performance information. Notably, the evaluation presented concerns related to performance reporting. In some cases, the evaluators found that it was not possible to determine which initiatives were planned, which were accomplished, or whether funding met the needs of children, families, and communities. In our view, reliable

performance information is crucial to support informed decision making regarding federal funding, as well as for accountability to the Canadian public and Indigenous families.

45. We also found that the department did not update its approaches to measuring results to collect information on progress toward some planned actions to improve Indigenous early learning and child care outlined in federal budgets. While the government had adapted its initiatives to support greater Indigenous influence and control, as intended by the Indigenous Early Learning and Child Care Framework, we expected that as the initiative's lead, the department would nevertheless seek out ways to gather timely performance information about the progress being made to enable it to report on outcomes. For example, the department did not gather such performance information for plans to support the creation of new Indigenous early learning and child care spaces, the training and retention of Indigenous early child care educators, or repairs and renovations at Indigenous early learning and child care sites.

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#### Recommendation

46. Employment and Social Development Canada should work with Indigenous partners to complete the implementation of the performance measurement plan to support timely and comprehensive reporting on outcomes for Indigenous early learning and child care as part of the Canada-wide system.

**The department's response.** Agreed.

See [Recommendations and Responses](#) at the end of this report for detailed responses.

## The department missed opportunities to monitor and report on national outcomes

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#### Why this finding matters

47. This finding matters because the federal government committed \$35 billion to provincial and territorial governments and Indigenous partners to support the implementation of a Canada-wide system for early learning and child care. Also, systematic monitoring and reporting on whether the funding met established objectives are essential for the department to know whether families in Canada could access high-quality, affordable, inclusive, and flexible early learning and child care and to assess the financial sustainability of the Canada-wide system going forward.

## The department's public reporting about the Canada-wide early learning and child care system was not timely or complete

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### Findings

48. We found that Employment and Social Development Canada had established processes to properly control payments and to monitor and assess most of the results of funding agreements with provincial and territorial governments. However, we found that the department missed opportunities to seek out comparable performance information from provincial and territorial governments to enable it to effectively monitor progress of early learning and child care across Canada.

49. We also found that the department had not reported to the public in a timely way about the results of the federal program. A certain lag time is expected, given that the department must collect, review, and validate information. However, it took until 2024 to publish national progress reports on early learning and child care for the 2019–20 and 2020–21 fiscal years. Further, we found that parliamentarians made requests, such as through Order Paper questions, about key program results because the information was not publicly available.

50. We found that the department had defined a single performance indicator and target in its departmental plan, which was to achieve an average fee of \$10 per day by March 2026 for regulated early learning and child care spaces. However, the federal program's objectives were not only to improve the affordability of child care but also to improve its quality, flexibility, inclusion, and access. While the department collected information from provincial and territorial governments through annual reports, it had not established a way to compile and report some key results to the public, such as the increase in educators who met certification requirements or the number of federally funded child care spaces created annually across Canada.

51. We noted that provincial and territorial governments each publicly reported on various elements of their early learning and child care systems over time. In our view, the lack of systematic federal reporting was concerning because the public was not kept up to date about federal objectives for which progress was more at risk or for which the department had limited information.

52. We also found that the department did not take steps to report about the outcomes of Indigenous early learning and child care initiatives. Its 2023–24 Departmental Results Report referred to the continued support for Indigenous partners in making advances on their early learning and child care priorities but did not report

about the progress achieved. Employment and Social Development Canada reported that the federal departments funded 950 repair and renovation projects to address immediate health and safety needs and would fund the construction and maintenance of new Indigenous early learning and child care centres. However, the department did not report on how many such projects were completed.

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Recommendation

53. Employment and Social Development Canada should work with provincial and territorial governments to obtain comparable performance information to accurately compile results and effectively assess outcomes of the Canada-wide early learning and child care system, including an improved understanding of:

- existing spaces in the Canada-wide system and unmet demand for early learning and child care
- equitable access to early learning and child care for diverse families and vulnerable families
- the financial sustainability of the Canada-wide system

**The department's response.** Agreed.

See [Recommendations and Responses](#) at the end of this report for detailed responses.

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Recommendation

54. Employment and Social Development Canada should report annually to the Canadian public about federal investments made in respect of the Canada-wide early learning and child care system and the progress being made toward objectives.

**The department's response.** Agreed.

See [Recommendations and Responses](#) at the end of this report for detailed responses.

## Conclusion

55. We concluded that Employment and Social Development Canada fulfilled its responsibilities to support the quality, affordability, access, inclusion, and flexibility of early learning and child care across Canada by providing funding to provincial and territorial governments and Indigenous partners. However, the department did not sufficiently assess whether federal funding met objectives to support diverse and vulnerable children and families or met objectives to support Indigenous early learning and child care. In addition, the department's reporting to the public about the program's results and outcomes was not timely or complete.

## About the Audit

This independent assurance report was prepared by the Office of the Auditor General of Canada on the Canada-wide early learning and child care program. Our responsibility was to provide objective information, advice, and assurance to assist Parliament in its scrutiny of the government's management of resources and programs and to conclude on whether the actions taken by Employment and Social Development Canada related to the Canada-wide early learning and child care program complied in all significant respects with the applicable criteria.

All work in this audit was performed to a reasonable level of assurance in accordance with the Canadian Standard on Assurance Engagements (CSAE) 3001—Direct Engagements, set out by the Chartered Professional Accountants of Canada (CPA Canada) in the CPA Canada Handbook—Assurance.

The Office of the Auditor General of Canada applies the Canadian Standard on Quality Management 1—Quality Management for Firms That Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements. This standard requires our office to design, implement, and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

In conducting the audit work, we complied with the independence and other ethical requirements of the relevant rules of professional conduct applicable to the practice of public accounting in Canada, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

In accordance with our regular audit process, we obtained the following from entity management:

- confirmation of management's responsibility for the subject under audit
- acknowledgement of the suitability of the criteria used in the audit
- confirmation that all known information that has been requested, or that could affect the findings or audit conclusion, has been provided
- confirmation that the audit report is factually accurate

### Audit objective

The objective of this audit was to determine whether Employment and Social Development Canada fulfilled its responsibilities to support early learning and child care across Canada.

### Scope and approach

This audit focused on whether Employment and Social Development Canada supported the Canada-wide early learning and child care system, including Indigenous early learning and child care.

We examined whether Employment and Social Development Canada monitored results from early learning and child care funding agreements with provincial and territorial governments and monitored available results from Indigenous early learning and child care initiatives. We also examined whether the department used these results to assess progress against the federal government's commitments and intended goals for a Canada-wide early learning and child care system, such as those described in federal budgets, the multilateral and Indigenous early learning and child care frameworks, and the Canada Early Learning and Child Care Act.

We assessed whether the department had an effective performance measurement process to assess reported results against established performance indicators and targets for quality, access, affordability, flexibility, and inclusion. Further, given that funding agreements with provincial and territorial governments outlined specific reporting requirements for baseline data, action plans, annual reports, and additional performance information, we assessed whether the department sought out relevant and timely data for performance measurement in accordance with the established terms and conditions of the agreements.

We also examined the department's process to assess whether other obligations and accountabilities set out in funding agreements were met. In situations where provincial and territorial governments were at risk of not meeting requirements, we assessed whether the department took any corrective actions it had available.

We assessed whether the department reported publicly and in a timely and transparent manner about whether established targets for key performance indicators were met and whether the department assessed that federal funding supported the achievement of the government's objectives for early learning and child care across Canada.

We did not examine the actions of provincial, territorial, or Indigenous governments or the actions of the ultimate recipients of funding. Further, the audit did not assess the early learning and child care programs and services that are regulated by the provincial and territorial governments.

While we assessed Employment and Social Development Canada's role in coordinating early learning and child care and Indigenous early learning and child care initiatives and its role in reporting on the horizontal initiative's results, we did not examine the delivery of Indigenous early learning and child care programs and services by Indigenous Services Canada, the Public Health Agency of Canada, or Crown-Indigenous Relations and Northern Affairs Canada.

We did not assess the policy advice provided by the National Advisory Council on Early Learning and Child Care but considered the department's responsibilities to support this council and considered any impacts on how the department managed, monitored, and reported on the federal program's outcomes.

The objectives set out in the early learning and child care funding agreements with provincial and territorial governments intended to improve access to quality, affordable, inclusive, and flexible early learning and child care across the country. These objectives directly supported the government's strategies related to Goal 4 of the United Nations' Sustainable Development Goals: "Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all." Therefore, our audit examined Employment and Social Development Canada's actions in support of achieving this goal.

## Criterion

We used the following criterion to conclude against our audit objective:

Criterion	Sources
<p>Employment and Social Development Canada effectively manages, monitors, and reports on its federal program to fulfill its responsibilities to support early learning and child care across Canada.</p>	<ul style="list-style-type: none"> <li>• Canada Early Learning and Child Care Act</li> <li>• Canadian Gender Budgeting Act</li> <li>• Department of Employment and Social Development Act</li> <li>• Federal Sustainable Development Act</li> <li>• Financial Administration Act</li> <li>• Poverty Reduction Act</li> <li>• Privacy Act</li> <li>• United Nations Declaration on the Rights of Indigenous Peoples Act</li> <li>• Order Designating the Minister of Families, Children and Social Development as the Minister for the Purposes of the Canada Early Learning and Child Care Act</li> <li>• Order Designating the Minister of Families, Children, and Social Development as the Minister for the Purposes of the Poverty Reduction Act</li> <li>• Indigenous Early Learning and Child Care Framework, Employment and Social Development Canada</li> <li>• Multilateral Early Learning and Child Care Framework, Employment and Social Development Canada</li> <li>• Bilateral early learning and child care agreements with provincial and territorial governments (except Quebec)</li> <li>• Implementation agreements of Canada-Quebec asymmetrical agreements—Early learning and child care component</li> <li>• Canada-wide early learning and child care agreements between Canada and the provincial and territorial governments (except Quebec)</li> <li>• Canada-Quebec—2021 to 2026 Asymmetrical Agreement on the Canada-Wide Early Learning and Child Care Component</li> </ul>

Criterion	Sources
	<ul style="list-style-type: none"> <li>• Indigenous early learning and child care contribution agreements</li> <li>• Indigenous Early Learning and Child Care Transformation Initiative Terms and Conditions for Contributions, Employment and Social Development Canada</li> <li>• Terms of Reference—National Advisory Council on Early Learning and Child Care, Employment and Social Development Canada</li> <li>• Truth and Reconciliation Commission of Canada: Calls to Action, 2015</li> <li>• Canadian Indicator Framework for the Sustainable Development Goals, Government of Canada</li> <li>• 2023 to 2027 Departmental Sustainable Development Strategy, Employment and Social Development Canada</li> <li>• Achieving a Sustainable Future: Federal Sustainable Development Strategy 2022 to 2026, Government of Canada</li> <li>• Budget 2021: A Recovery Plan for Jobs, Growth, and Resilience, Government of Canada</li> <li>• Opportunity for All—Canada’s First Poverty Reduction Strategy, Employment and Social Development Canada</li> <li>• Canada Country Background Report—Quality in Early Childhood Education and Care, Employment and Social Development Canada</li> <li>• Defining and Measuring the Quality of Early Learning and Child Care: A Literature Review, Employment and Social Development Canada</li> <li>• Letters of agreement between Statistics Canada and Employment and Social Development Canada on early learning and child care, 2019 to 2025</li> <li>• Policy on Transfer Payments, Treasury Board</li> <li>• Directive on Transfer Payments, Treasury Board</li> <li>• Policy on Results, Treasury Board</li> <li>• Directive on Results, Treasury Board</li> </ul>

### **Period covered by the audit**

The audit covered the period from April 1, 2021, to March 31, 2025. This is the period to which the audit conclusion applies. However, to gain a more complete understanding of the subject matter of the audit, we also examined certain matters that preceded the start date of this period.

### **Date of the report**

We obtained sufficient and appropriate audit evidence on which to base our conclusion on October 3, 2025, in Ottawa, Canada.

### **Audit team**

This audit was completed by a multidisciplinary team from across the Office of the Auditor General of Canada led by Gabriel Lombardi, Principal. The principal has overall responsibility for audit quality, including conducting the audit in accordance with professional standards, applicable legal and regulatory requirements, and the office's policies and system of quality management.

## Recommendations and Responses

Responses appear as they were received by the Office of the Auditor General of Canada.

In the following table, the paragraph number preceding the recommendation indicates the location of the recommendation in the report.

Recommendation	Response
<p><b>46.</b> Employment and Social Development Canada should work with Indigenous partners to complete the implementation of the performance measurement plan to support timely and comprehensive reporting on outcomes for Indigenous early learning and child care as part of the Canada-wide system.</p>	<p><b>The department's response.</b> Agreed. While noting that the Audit's scope focusses solely on Employment and Social Development Canada's (ESDC's) role in the Indigenous Early Learning and Child Care (IELCC) horizontal initiative, and not that of other federal departments, ESDC and partner departments have been collecting interim performance indicators through ongoing agreement management with funding recipients. This is a precursor to co-developing performance measurement systems with Indigenous partners on the design and delivery of IELCC, in accordance with the Early Learning and Child Care Act and IELCC Framework.</p> <p>Since 2022, ESDC has undertaken significant work to co-develop distinctions-based results frameworks with Indigenous partners rather than imposing federal requirements. This co-development process supports Canada's obligations to advance reconciliation (e.g., Truth and Reconciliation Commission and United Nations Declaration on the Rights of Indigenous Peoples Act), which can be a lengthy process. That said, ESDC anticipates federal approval of these frameworks by fall 2025, with partner approvals advancing in parallel.</p> <p>ESDC will coordinate implementation of the results frameworks throughout 2025-26 and 2026-27, will support Indigenous partners as they transition to reporting on the indicators, and will use information gathered to report on outcomes. Continued collaboration will be essential to ensure the frameworks are responsive to partner needs and accountability expectations.</p>

Recommendation	Response
<p><b>53.</b> Employment and Social Development Canada should work with provincial and territorial governments to obtain comparable performance information to accurately compile results and effectively assess outcomes of the Canada-wide early learning and child care system, including an improved understanding of:</p> <ul style="list-style-type: none"> <li>• existing spaces in the Canada-wide system and unmet demand for early learning and child care</li> <li>• equitable access to early learning and child care for diverse families and vulnerable families</li> <li>• the financial sustainability of the Canada-wide system</li> </ul>	<p><b>The department's response.</b> Agreed. As the Government of Canada continues to build the Canada-wide ELCC system, ESDC remains committed to improving data and results as the system matures. ESDC will work with its partners to obtain comparable performance information in support of its ongoing commitment to assessing the progress and outcomes of the Canada-wide ELCC system. ESDC will continue to work with provinces and territories to strengthen the information they are required to report to assess progress in implementing the Canada-wide ELCC system.</p> <p>ESDC will also strengthen how it governs and manages data, including by working with domestic and international partners to develop data and common indicators for critical domains to more clearly demonstrate progress on the Canada-wide ELCC system.</p> <p>The department will continue engaging with provinces and territories to assess outcomes on a bilateral basis. Regular bilateral meetings and Implementation Committee Meetings will be used to provide insight into results, progress and challenges, including on the status of provincial and territorial inclusion efforts.</p>
<p><b>54.</b> Employment and Social Development Canada should report annually to the Canadian public about federal investments made in respect of the Canada-wide early learning and child care system and the progress being made toward objectives.</p>	<p><b>The department's response.</b> Agreed. ESDC is committed to reporting to Canadians in accordance with its obligations under the Canada Early Learning and Child Care (ELCC) Act about the progress of the Canada-wide ELCC system. ESDC has worked to prepare annual National Progress Reports, summarizing the results achieved from federal investments.</p> <p>The department agrees with the importance of timely reporting. The Act came into force in March 2024, requiring the Minister to table a report in Parliament annually, within fifteen sitting days after it is completed. The report for fiscal year 2024-2025 is the first that is required to be tabled in Parliament.</p>

Recommendation	Response
	<p>Provinces and territories are required to report on progress by October 1st of the following fiscal year. To support accuracy in reporting to Canadians about federal ELCC investment and progress towards objectives, ESDC will work with provinces and territories to further validate the data reported. To improve reporting efforts, we will work with provinces and territories to ensure extensions to the Canada-wide ELCC Agreements advance timely and focused reporting to measure progress in the Canada-wide ELCC system.</p>

## Appendix—Text Descriptions of Exhibits

Here are the text descriptions of the exhibits.

### Exhibit 1—Positive effects of early learning and child care—Text description

This exhibit outlines some of the positive effects of early learning and child care under 4 main themes, which are represented by illustrations.

The first illustration is of a bar chart showing an amount of money increasing. Under the illustration, the following positive effects are listed:

- Economic contributions
- Labour force participation
- Job creation

The second illustration is of a school. Under the illustration, the following positive effects are listed:

- Social outcomes
- Socio-economic equality
- Financial stability

The third illustration is of a family with 2 adults, each holding a small child and standing beside a stroller. Under the illustration, the following positive effects are listed:

- Support to parents
- Improved well-being

The fourth illustration is of a child's mobile. In the centre of the mobile is a heart. On 1 side is a speech bubble with an ellipse inside of it, and on the other side is a lightbulb with several nodes inside of it. Under the illustration, the following positive effect is listed:

- Social, emotional, cognitive, and physical child development

Source: Based on various public studies on early learning and child care

### [Back to Exhibit 1](#)

### Exhibit 2—Key milestones toward a Canada-wide early learning and child care system—Text description

This timeline shows key milestones toward a Canada-wide early learning and child care system from 1970 to 2031.

In 1970, the Report of the Royal Commission on the Status of Women in Canada was released.

In 1997, the Government of Quebec's affordable child care program began.

In 2015, the final report of the Truth and Reconciliation Commission of Canada was released.

In 2017, the Multilateral Early Learning and Child Care Framework was developed. Bilateral funding agreements began; these continue until 2031.

In 2018, the Indigenous Early Learning and Child Care Framework was co-developed, and the Indigenous Early Learning and Child Care Transformation Initiative began.

In 2019, an early learning and child care indicator was added to the Canadian Indicator Framework for the United Nations' Sustainable Development Goals.

In 2021, Budget 2021: A Recovery Plan for Jobs, Growth, and Resilience was released. The Canada-wide early learning and child care funding agreements also began; these continue until 2031.

In 2023, the United Nations Declaration on the Rights of Indigenous Peoples Act Action Plan was released.

In 2024, the Canada Early Learning and Child Care Act was enacted.

In 2031, the bilateral funding agreements and extensions and the Canada-wide early learning and child care funding agreements and extensions end.

Source: Based on various public studies on early learning and child care and information provided by Employment and Social Development Canada

### [Back to Exhibit 2](#)

#### **Exhibit 4**—Federal funding for Indigenous early learning and child care programs and initiatives for the 2021–22 to 2025–26 fiscal years—Text description

This graph shows the breakdown of federal funding for Indigenous early learning and child care programs and initiatives for the 2021–22 to 2025–26 fiscal years. The total amount of funding approved was \$4 billion. This amount is rounded.

The funding approved for the Indigenous Early Learning and Child Care Transformation Initiative was \$2.17 billion.

The funding approved for the Aboriginal Head Start on Reserve Program was \$957 million.

The funding approved for the First Nations and Inuit Child Care Initiative was \$703 million.

The funding approved for the Aboriginal Head Start in Urban and Northern Communities Program was \$201 million.

Dollar amounts include legacy and new funding for grants and contributions provided by Employment and Social Development Canada, Indigenous Services Canada, Crown-Indigenous Relations and Northern Affairs Canada, and the Public Health Agency of Canada.

Source: Based on federal budgets and other documents from Employment and Social Development Canada

### [Back to Exhibit 4](#)

#### **Exhibit 5**—Between the 2021–22 and 2023–24 fiscal years, provincial and territorial governments spent about \$12 billion in federal funding to improve early learning and child care—Text description

This graph shows the breakdown of the provinces' and territories' spending of federal funding by fiscal year between the 2021–22 and 2023–24 fiscal years.

In 2021–22, they spent \$1.57 billion.

In 2022–23, they spent \$4.45 billion.

In 2023–24, they spent \$6.13 billion.

In total, they spent \$12 billion. This amount is rounded.

Source: Based on annual reporting from provincial and territorial governments and respective federal funding provided to the Government of Quebec

### [Back to Exhibit 5](#)

**Exhibit 7**—More parents and guardians reported difficulty finding care for their children in their communities in 2023 than in 2020—Text description

This chart shows the number of children whose parents and guardians had difficulty finding child care for them in 2020 and 2023.

In 2020, parents and guardians reported difficulty in finding child care for a total of 118,210 children.

In 2023, parents and guardians reported difficulty in finding child care for a total of 156,500 children.

This was a 32% increase from 2020 to 2023.

Source: Survey on Early Learning and Child Care Arrangements, Statistics Canada, 2020, and Canadian Survey on Early Learning and Child Care, Statistics Canada, 2023

### [Back to Exhibit 7](#)

**Exhibit 8**—Between the 2021–22 and 2023–24 fiscal years, provincial and territorial governments spent less than the available federal funding—Text description

This chart compares the provincial and territorial governments spending and the available federal funding between the 2021–22 and 2023–24 fiscal years.

In the 2021–22 fiscal year, the funding from agreements was \$3.77 billion, and the spending by provinces and territories was \$1.57 billion.

In the 2022–23 fiscal year, the funding from agreements was \$5.01 billion, and the spending by provinces and territories was \$4.45 billion.

In the 2023–24 fiscal year, the funding from agreements was \$6.18 billion, and the spending by provinces and territories was \$6.13 billion.

In total, the funding from agreements was \$15 billion, and the spending by provinces and territories was \$12 billion. These total amounts are rounded.

Source: Based on information from funding agreements with provincial and territorial governments, related annual reporting from provincial and territorial governments, and respective federal funding provided to the Government of Quebec

### [Back to Exhibit 8](#)

**Exhibit 9**—Between the 2021–22 and 2023–24 fiscal years, federal departments provided \$1.9 billion to Indigenous partners—Text description

This chart compares the funding approved by Parliament for Indigenous early learning and child care and funding provided to Indigenous partners between the 2021–22 and 2023–24 fiscal years.

For the 2021–22 fiscal year, Parliament approved \$447 million in funding for Indigenous early learning and child care. The funding provided to Indigenous partners was \$406 million.

For the 2022–23 fiscal year, Parliament approved \$725 million in funding for Indigenous early learning and child care. The funding provided to Indigenous partners was \$688 million.

For the 2023–24 fiscal year, Parliament approved \$869 million in funding for Indigenous early learning and child care. The funding provided to Indigenous partners was \$828 million.

In total, \$2 billion was approved by Parliament, and \$1.9 billion was provided to partners.

Source: Based on public budgets, departmental results reports, and other documents from Employment and Social Development Canada

[\*\*Back to Exhibit 9\*\*](#)



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