



Canada's Premiers continue to work on modernizing fiscal arrangements

NIAGARA-ON-THE-LAKE, July 26, 2013 - Premiers discussed their shared commitments to fiscal responsibility and to protecting and sustaining essential public services, including health care, education and social services. They also stressed the importance of modernizing federal, provincial and territorial financial arrangements to ensure that they reflect current realities and support economic development.

Premiers call on the federal government to avoid further unilateral changes to programs affecting provinces and territories, and particularly measures involving cutbacks in financial support, including offloading or downloading responsibilities. For example, last year's report of the Premiers' Fiscal Arrangements Working Group estimated that the federal government's Canada Health Transfer (CHT) would be reduced by almost \$36 billion, in total, over the 10-year period from 2014/15 to 2023/24 compared to the arrangements currently in place, bringing the federal share of health care costs to less than 20 percent, compared to 50 percent originally. Premiers also cited recent changes in labour market agreements, Employment Insurance and Old Age Security eligibility, and programs affecting Aboriginal communities as examples of their concerns. They agreed to direct their Finance Ministers to prepare a detailed inventory of these changes on a priority basis for review at their next meeting.

Ongoing fiscal imbalances between governments affect the ability to deliver quality public services. Premiers agree that fiscal arrangements must be consistent with the provincial and territorial roles and responsibilities in Confederation. Premier Selinger, Premier Redford, Premier Alward and Premier Wynne will chair further work by Finance Ministers to develop a set of specific options for Premiers' consideration at their 2014 summer meeting for modernizing both traditional fiscal arrangements and specific economic programs.

Premiers agreed that Premier Wynne would lead work as part of the Fiscal Arrangements Working Group regarding strategic infrastructure investment, jobs and growth. Premier Wynne and provincial and territorial ministers responsible for economic development and infrastructure will focus on the critical role infrastructure investments play in creating good jobs and attracting investments in such areas as manufacturing, transportation, research and development and resource development.

Premiers reaffirmed that these options should reflect the principles agreed to by Premiers at the January 2012 meeting to: find solutions that work for the benefit of all Canadians in all provinces and territories; that every province and territory must be able to provide its citizens with reasonably comparable levels of public services with reasonably comparable levels of taxation; that no jurisdiction should be made worse off; and that Canada's fiscal arrangements should be a win-win for all Canadians regardless of where they live.

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