



Canada's Premiers collaborate on the economy and call for a better partnership with the federal government

January 30, 2015 – Ottawa, ON – Winter Meeting of Canada's Premiers

Canada's Premiers are focused on actions to maintain the strength of the Canadian economy in the current international economic situation. Premiers shared perspectives on commodity prices, the fluctuating value of the Canadian dollar, and how these changes will impact their respective fiscal plans.

Provinces and territories continue to adapt to a changing global economic environment. Although the fiscal and economic ground has shifted since Premiers last met, most of Canada's long-term challenges and opportunities remain unchanged. Priorities continue to be increased infrastructure investments and addressing the wide-ranging needs of an aging population.

United in their efforts to drive economic growth, Premiers committed to continue investing in strategically important public infrastructure and called for a stronger commitment from the federal government and greater federal funding.

Provinces and territories are facing changing social and economic realities associated with an aging population. Premiers called on the federal government to provide funding in support of provincial and territorial services that enhance the well-being of Canada's seniors, while meeting the unique requirements of each province and territory.

Premiers remain committed to creating opportunities for Canadians through the following actions:

- Making strategic investments in public infrastructure.
- Ongoing collaboration on seniors' care and aging.
- Establishing a mobility protocol for apprentices while they complete their certification.
- Ongoing collaboration on pharmaceuticals that is saving millions of dollars. Premiers are encouraged by the accelerated work to lower drug costs – current annual savings are estimated to be \$315 million.
- Reducing barriers to trade and business within Canada.
- Continuing to expand our international trade, including in markets such as Asia.
- Finding solutions to address challenges facing Aboriginal communities.

Provinces and territories are working together to address key issues for Canadians. It is important that the federal government step forward to do its part as a partner in the federation. Recent changes in the fiscal outlook have not changed the fact that, in the medium and long-term, the federal government is in a stronger structural fiscal position than provinces and territories.

Premiers discussed the priorities that need to be addressed to strengthen Canada's economic union, including fiscal arrangements, health care, jobs and skills, infrastructure, disaster financial assistance and Aboriginal issues (see attached media backgrounder). Noting that this is a federal election year, Premiers called on federal leaders to outline how they intend to support the work of provinces and territories in addressing these priorities.

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Media Backgrounder

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Fiscal Arrangements

The growing fiscal disparity between the federal government and the provinces and territories is impacting the ability of provinces and territories to deliver health, education, and other vital public services while striving to achieve balanced budgets. According to a report presented by the Conference Board of Canada to Premiers in August 2014, this disparity will continue to grow unless action is taken to modernize Canada's fiscal arrangements. The Parliamentary Budget Officer's report of this week indicated that lower oil prices have the potential to further increase the fiscal disparity between federal and provincial/territorial governments. Premiers focused their discussions on funding for seniors care and public infrastructure renewal and development – areas in which the federal government is under-investing. Premiers called on the federal government to reinvest in these areas.

Infrastructure

Investments in public infrastructure support economic growth and create jobs. Premiers called on the federal government to join them by providing additional funding beyond the Building Canada Plan, to support investment in provincial and territorial infrastructure funding priorities which will advance our economic competitiveness now and well into the future. Premiers agreed that federal infrastructure programs must follow a "base-plus per capita" formula that will allow a more strategic investments by all jurisdictions. Premiers also discussed the importance of trade infrastructure and called for increased federal investment in gateways to support greater international trade in key markets.

Seniors Care, Health and Aging

Premiers received updates on ongoing collaboration among provinces and territories through Canada's Premiers' Health Care Innovation Working Group to achieve cost savings and improve service delivery in health care. One example is the pan-Canadian Pharmaceutical Alliance (pCPA) which continues to reduce drug costs for provinces and territories. Inclusion of four additional generic drugs and six additional brand name drugs will save an estimated \$40 million and bring the total annual savings under the pCPA to an estimated \$315 million.

Premiers also received an update on the progress being made by the Health Care Innovation Working Group in its ongoing work on seniors' care and discussed the Task Force on Aging which aims to provide Premiers with evidence based information on the economic and social impacts of an aging population.

Jobs and Skills

A skilled workforce is essential to prosperity and Canadians should have the skills they need to meet the demands of current and future labour markets.

- Premiers announced an initiative to reduce barriers to labour mobility within Canada. Today's commitment to develop an apprenticeship mobility protocol will make it easier for apprentices to move between provinces and territories while they complete their certification. Enhanced mobility is good for apprentices, employers and Canada's economy. Every jurisdiction has major projects on its agenda which depend on skilled labour. A pan-Canadian apprenticeship protocol will facilitate apprentices' mobility and support the development of these projects in all jurisdictions.

Premiers discussed concerns regarding the shift in the Labour Market Development Agreements (LMDAs) proposed by the federal government. While some progress has been made on receiving information, Premiers continue to seek more information on the impacts to Canadians and costs.

Key concerns include:

- Increases to the number of clients served without providing additional funding;
- Significantly increasing the administrative requirements; and

- Risks to provinces and territories for continuity of funding if the LMDAs moved to time-limited agreements.

Premiers call on the federal government to expand eligibility so that more unemployed Canadians can receive the skills training they need and to increase as such their investments in LMDAs, while ensuring that no province or territory is adversely affected.

As a way forward, Premiers asked Premiers Clark, Gallant and Wynne to take the lead on engaging the federal government on proposed federal changes to LMDAs. They will report back to Premiers in advance of the 2015 Summer Meeting of Canada's Premiers.

For its part, Québec indicated that it will concentrate on improvements to the model that it put in place through its current agreement by encouraging an even better alignment between training and labour market needs.

Energy

Premiers acknowledged the global implications of the changing price of oil. Reduced energy prices have impacted budgets across the country. While the dynamics in the energy sector have shifted, energy remains a key economic driver in the Canadian economy. Canada has substantial capacity to supply energy. Energy development and market access for all forms of energy continues to be a priority.

Premiers reiterated their commitment to completing the Canadian Energy Strategy, building on the vision and principles adopted last year.

Climate Change

Premiers discussed action on climate change and agreed to share best practices at the climate change summit in Quebec City that can be the basis for discussion at the COP21 meeting in Paris in December 2015.

Disaster Financial Assistance

Premiers expressed their disappointment with the recent announcement by the federal government to impose changes to the Disaster Financial Assistance Arrangements. The changes, effective February 1, 2015, will reduce the federal share of future disaster assistance costs. At a time when the frequency of extreme weather related events is predicted to increase due to climate change, these modifications will offload additional emergency support and recovery costs onto provinces and territories. Premiers urged the federal government to reconsider its decision.

Premiers also urged that the federal government's National Disaster Mitigation Program be adequately funded and flexible to meet the need for flood protection projects in all provinces and territories.

National Roundtable on Missing and Murdered Indigenous Women and Girls

Premiers discussed the plans, led by National Aboriginal Organizations, for a National Roundtable on Missing and Murdered Indigenous Women and Girls on February 27, 2015 in Ottawa. They reiterated their strong support for the Roundtable and encouraged federal ministers to participate.

Aboriginal Children in Care

Premiers also discussed work underway to address the issue of the disproportionate and large number of Aboriginal children in care in Canada. Provinces and territories will be engaging National Aboriginal Organizations in this work. Premiers will review progress at the summer meeting.

Safety and Security

Premiers remain vigilant following the terrorist attacks in Ottawa this past October and in Paris earlier this month. Premiers consider the security of persons a fundamental right as important as the right to freedom of speech on which rests our democracy. Premiers called for a united resolve to ensure that this right and our fundamental freedoms are protected.

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