



Premiers Steer Canada's Economic Future

HALIFAX, July 27, 2012 - Premiers will work together to ensure Canada's continued economic success.

To ensure Canada's economic prospects remain strong, Premiers are:

- Promoting job growth and pursuing global and domestic economic opportunities;
- Demonstrating good fiscal management and working to eliminate deficits;
- Investing in Canadians and the infrastructure needed for to position Canada for prosperity;
- Protecting vital services; and
- Identifying efficiencies and innovations within government to improve services for Canadians and make tax dollars go further.

Premiers play an important role in Canada's trade expansion. Nova Scotia Premier Darrell Dexter will lead a COF mission to China in September, 2012. This will be the COF's second mission to China. It will focus on further developing relationships with one of Canada's fastest-growing trade partners and matching our strengths with opportunities in global markets. The mission will include stops in Beijing, Shanghai and Hong Kong and representation at the World Economic Forum in Tianjin.

Premiers received an update on the status of negotiations to conclude the Canada-European Union negotiations towards a Comprehensive Economic and Trade Agreement (CETA). They welcomed action from the federal government to significantly involve provinces and territories in this negotiation and reiterated the importance for their governments to have the opportunity to participate in the management of any future agreement. Recognizing that there are still important issues under discussion, they intend to stay closely involved in the negotiations to make sure that the ambitious agreement they are looking for is in the best interest of their citizens.

A number of other important international trade negotiations have recently been undertaken by the federal government, including the recent invitation to participate in the Trans Pacific Partnership (TPP). Premiers are committed to working with the federal government in the TPP negotiations as well as future global trade and investment opportunities that enhance Canada's economy. To this end, Premiers are calling on the federal government to enter into a framework agreement on the involvement of provinces and territories in all trade negotiations based on their positive and productive involvement in CETA negotiations.

As a start, Premiers identified five areas they wish to work in partnership with the federal government over the next year:

Immigration: As a shared area of jurisdiction, Premiers noted that Canada's immigration system is best managed through cooperation between federal, provincial and territorial governments. Premiers reiterated that provinces and territories are also in the best position to assess the needs of their communities and regional economies, and to integrate settlement services with other services such as education, health, social services. Premiers also see value in expanding the use of international labour mobility agreements to attract skilled immigrants. Unilateral federal decisions on immigration levels and on the selection of skilled workers are not an effective way to assist provinces and territories to grow their economies according to local and regional needs. Premiers called on the Prime Minister to engage in meaningful collaboration with them before moving forward with these proposed reforms.

Labour Market: Provincial and territorial governments are best placed to design and deliver the active employment services and programs required to meet the needs of their citizens. Labour Market Agreements will expire in 2014. For this reason, it is urgent that the federal government confirm the renewal of funding allocated for these agreements. Adequate, predictable and long-term funding is critical to avoid jeopardizing the active employment measures that are required to have a pool of qualified workers that will enable Canada to remain competitive in the new economy.

In order to eliminate duplication of programs and confusion for workers, Premiers encourage the federal government to work towards completing the process that was initiated several years ago with the devolution of Labour Market Development Agreements by transferring to provinces and territories the entire funding it devotes to active employment measures. Provinces and territories would then have all the tools and flexibility necessary to ensure their citizens can access effective active employment services that are responsive to their own labour market needs.

Employment Insurance: Premiers agreed that it is important for Employment Insurance (EI) to contribute economic stability by supporting workers during times of temporary unemployment and that EI should support the unique economic circumstances in all regions of Canada, including seasonal workers. Premiers noted the important role that EI plays in assisting unemployed workers to obtain skills needed to adapt to structural changes in economy. Premiers urged the federal government to consult provinces and territories on changes to the EI program and make the program more responsive to workers and also enable provinces and territories to use the funds from various programs in a manner that best meets the needs of unemployed workers.

Retirement Income: Premiers discussed Canada's retirement income system including the federal changes to the Old age Security (OAS) and Guaranteed Income Supplement (GIS) and agreed that more effort is needed to ensure Canadians are able to retire with dignity. Adequate retirement income is key to the poverty reduction efforts that provinces and territories pursue. Premiers agree that the retirement income system should be affordable, support labour mobility, and facilitate new pension innovations. Premiers discussed the commitment by the federal government to compensate provinces and territories as a result of these changes. Premiers directed Ministers of Finance to analyze the impacts of changes to OAS and GIS on Canadians and to

present options for modest enhancements to the Canada Pension Plan to improve the existing system.

The security and stability of public and private sector pension plans is a pressing issue for many Canadians. New Brunswick will host a summit in February 2013 on public policy options for pension plan renewal and reform.

Infrastructure: Premiers agreed that the terms of the next federal long-term infrastructure funding plan should be flexible, streamlined and complement the needs, strategic priorities and infrastructure investments of provinces and territories. Premiers agreed that federal infrastructure programs must follow a 'base-plus per capita' formula that will allow a more strategic investment by all jurisdictions.

Canadians also expect governments to protect their lives and livelihoods in times of extreme adversity. Immediate action is required by the federal government to finalize a stand-alone national disaster mitigation funding program so that provinces and territories can better protect Canadians against the effects of natural disasters and other catastrophic events.

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