



**Report
No. 2**

*Provincial - Territorial Council
on Social Policy Renewal*

**Progress
Report**
to
Premiers

**Membership of the Provincial/Territorial Council on
Social Policy Renewal**

Alberta	Honourable Lyle Oberg, M.D. (Chair) Minister of Family and Social Services
British Columbia	Honourable Joy MacPhail Minister of Health Minister Responsible for Seniors
Manitoba	Honourable Bonnie Mitchelson Minister of Family Services
New Brunswick	Honourable Russell King, M.D. Minister of Health and Community Services
Newfoundland and Labrador	Honourable Joan Marie Aylward Minister of Health
Nova Scotia	Honourable Francene Cosman Minister of Community Services Minister Responsible for the Advisory Council on the Status of Women
Ontario	Honourable Dianne Cunningham Minister of Intergovernmental Affairs Minister Responsible for Women's Issues
Prince Edward Island	Honourable Mildred A. Dover Minister of Health and Social Services
Saskatchewan	Honourable Berny Wiens Minister of Intergovernmental and Aboriginal Affairs
Northwest Territories	Honourable Kelvin Ng Minister of Health and Social Services Minister of Justice
Yukon	Honourable David Sloan Minister of Health and Social Services

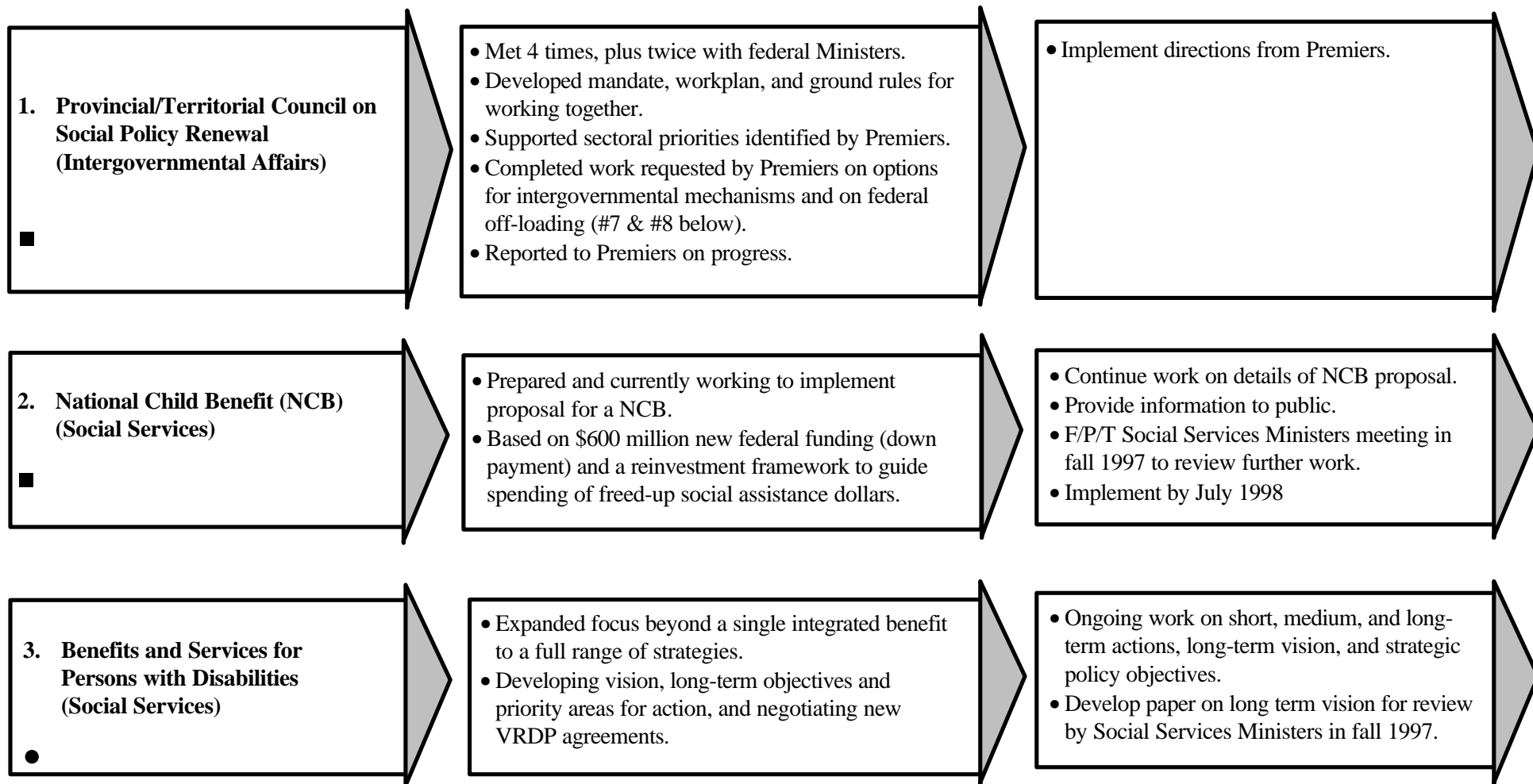
PROVINCIAL/TERRITORIAL COUNCIL ON SOCIAL POLICY RENEWAL

HIGHLIGHTS

ISSUES PAPER RECOMMENDATIONS* (Ministry with Primary Responsibility)

RESULTS

NEXT STEPS



LEGEND: ◆ - Work in early stages ● - Work underway ■ - Work in advanced stages

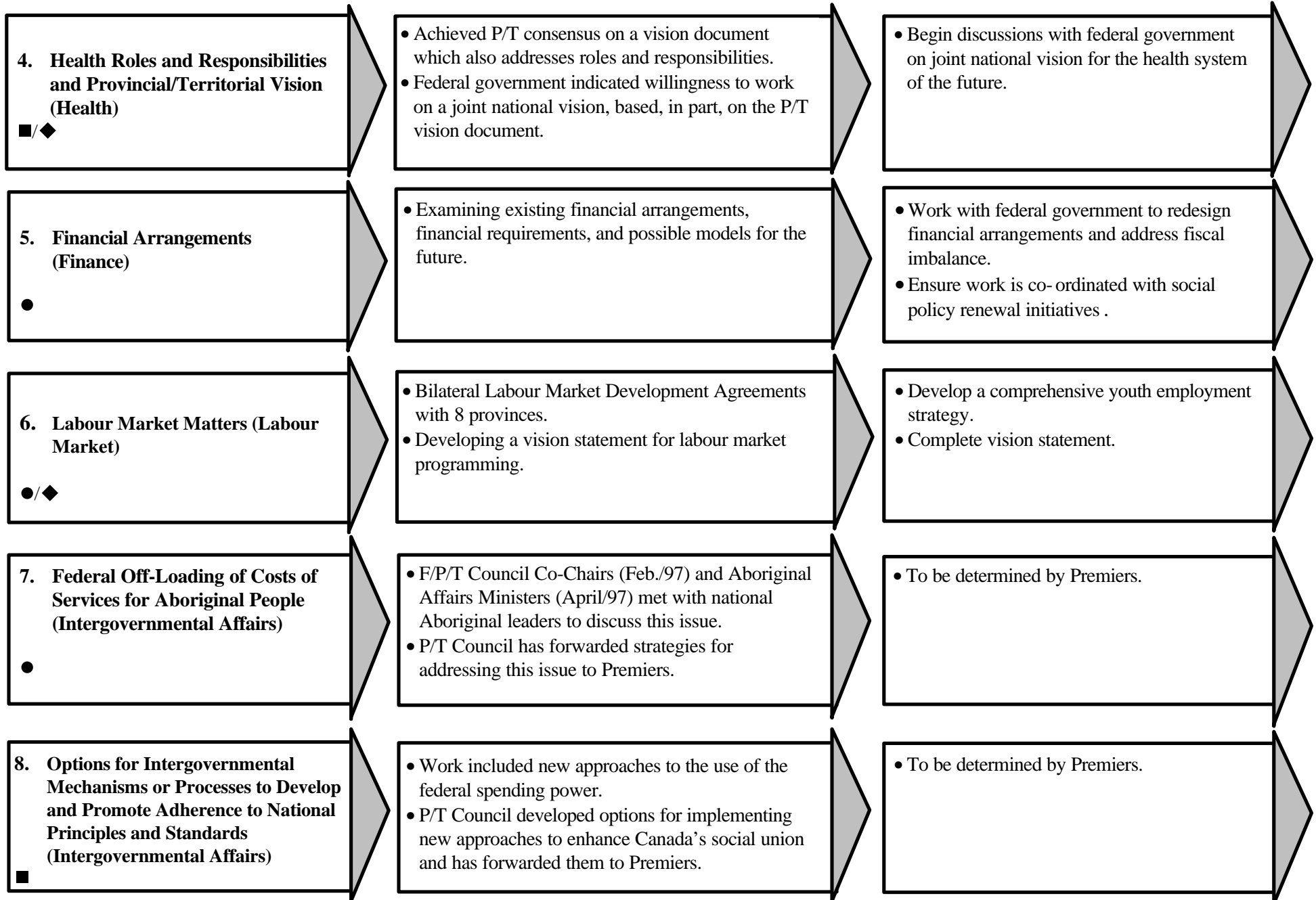
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* Based on the 1996 *Issues Paper on Social Policy Reform and Renewal: Next Steps*

**ISSUES PAPER
RECOMMENDATIONS**

RESULTS

NEXT STEPS



LEGEND: ◆ - Work in early stages ● - Work underway ■ - Work in advanced stages

ADDITIONAL PRIORITIES

National Children's Agenda (Health and Social Services)

Emerged from work of Health and Social Services Ministers on the need to coordinate policies/services relating to healthy child development, recognizing that both income support and services are important.

Mobility (Intergovernmental Affairs)

Raised in P/T work on new approaches to Canada's social union. Also, the federal Co-Chair of the F/P/T Council requested a discussion on mobility the next time the Council meets.

Student Loans/Debt (Council of Ministers of Education, Canada)

Emerged from work on student loan levels, and concerns about increasing levels of debt incurred by students pursuing post-secondary education.

NEXT STEPS

- F/P/T Social Services and Health officials developing a report for ministerial consideration in fall 1997.

- Depends on direction from Premiers on new approaches to Canada's social union. Could involve both P/T and F/P/T work.
- Clarify federal intentions on mobility through the F/P/T Council on Social Policy Renewal.

- Develop a coordinated federal/provincial/territorial strategy to address the high debt loads of students, and to ensure that qualified students are not discouraged from pursuing post-secondary education.

PROVINCIAL/TERRITORIAL COUNCIL ON SOCIAL POLICY RENEWAL: PROGRESS REPORT TO PREMIERS - No. 2

I. Introduction and Background

Over the past year, progress on social policy renewal has been hailed as an example of how governments working together can achieve policies and programs for the well-being of Canadians. The Provincial/Territorial Council on Social Policy Renewal is pleased to submit its second Progress Report to Premiers (the first Progress Report to Premiers was forwarded to Premiers in February 1997). These reports outline the progress on implementing Premiers' directions for social policy reform and renewal, as identified through Premiers' endorsement of the:

- *Ministerial Council Report* to Premiers in March 1996 (*Ministerial Council Report*) and,
- *Issues Paper on Social Policy Reform and Renewal: Next Steps* in August 1996 (*Issues Paper*).

The *Ministerial Council Report* identified fifteen principles to guide social policy reform and outlined a framework for change and renewal. All provincial and territorial governments participated in the development of and reached consensus on the *Ministerial Council Report* with the exception of the Government of Quebec, which declined to participate.

The *Ministerial Council Report* was presented to the Prime Minister and, at their meeting in June 1996, all First Ministers (except the Premier of Quebec) made a commitment to work together to "put into practice" the *Ministerial Council Report*. First Ministers agreed that a committee of Ministers should be established to pursue further the issues raised in the Report. The Prime Minister appointed the federal Ministers of Human Resources Development and Health to work with the provinces and territories on social policy reform and renewal.

The *Issues Paper* was adopted at the August 1996 Annual Premiers' Conference. As a result, the Provincial/Territorial Council on Social Policy Renewal was established with a mandate to move the social policy renewal agenda forward and to work with the federal government on a number of priorities. The Council was also asked to co-ordinate an approach to overarching social policy issues of national importance, based on the framework for reform and renewal set out in the 1995 *Ministerial Council Report* and the priorities identified in the *Issues Paper*.

Meetings of the Council on Social Policy Renewal have taken place in two fora: a provincial/territorial forum and a federal/provincial/territorial forum. During Alberta's term as Chair of the Annual Premiers' Conference, the Provincial/Territorial Council has been chaired by the Alberta representative, initially the Honourable Stockwell Day and currently the Honourable Lyle Oberg, M.D. The Federal/Provincial/Territorial Council has been co-chaired with the federal representative, the Honourable Pierre Pettigrew. The Provincial/Territorial Council met

in October and November 1996, and again in January and June 1997. The Federal/Provincial/Territorial Council met at the end of November 1996 and January 1997.

The following provides an overview of progress to date and the next steps involved in meeting the direction set out by Premiers.

II. Status of Premiers' Directions to the Provincial/Territorial Council

As requested by Premiers in August 1996, the Provincial/Territorial Council on Social Policy Renewal prepared a work plan on overarching and crosscutting issues. In fulfilling its co-ordination role, the Provincial/Territorial Council worked with federal representatives to confirm the mandate of the Federal/Provincial/Territorial Council on Social Policy Renewal and both Councils have agreed on ground rules for working together (see Appendix I and II). All of the Federal/Provincial/Territorial Council Ministers have acknowledged the need to work in partnership based on good-will, trust, and mutual respect.

In addition, the Provincial/Territorial Council wrote to sectoral chairs requesting work plans from each sectoral council outlining milestones and time frames to implement reform and renewal (based on the *Ministerial Council Report* and the *Issues Paper*). Moreover, the Provincial/Territorial Council has supported progress in several sectors to advance the priorities identified by Premiers at their Conference last August, as well as efforts to implement the recommendations of the *Ministerial Council Report*. The Provincial/Territorial Council continues to coordinate, monitor, and support the efforts of sectoral councils in advancing the provincial/territorial agenda for social policy renewal.

As directed by Premiers, the Provincial/Territorial Council has also developed options for intergovernmental mechanisms or processes to develop and promote adherence to national principles and standards, including new approaches to the use of the federal spending power. In addition, strategies for moving forward provincial/territorial concerns on federal off-loading of costs of services for Aboriginal people have been developed.

III. Status of Progress on Social Policy Reform and Renewal

National Child Benefit

Progress to Date: Premiers (except the Premier of Quebec) requested that Provincial/Territorial Social Services Ministers, in cooperation with Provincial/Territorial Ministers of Finance, and their federal counterparts, prepare an interim report on a National Child Benefit by January 1997. In January 1997, all participating provinces and territories approved in principle, a proposal on the National Child Benefit.

All participating provinces, territories and the federal government are committed to pursuing a National Child Benefit (NCB) with a view to working toward a July 1998 (or sooner if possible)

implementation date. Provinces and territories as well as the federal government endorsed, in principle, the development of a national child benefit program, in accordance with the objectives and operating principles outlined in a joint federal/provincial/territorial interim report on a NCB. The interim report was submitted to Premiers and to the Federal/Provincial/Territorial Council by Social Services Ministers in January 1997; the Federal/Provincial/Territorial Council shared it with other social policy sectors for their consideration and any input deemed appropriate to ensure that cross-sectoral implications were identified and pursued.

F/P/T governments have agreed on a joint NCB approach that involves three simultaneous steps. First, the federal government will increase its benefits for low-income families with children through an increase in the Canada Child Tax Benefit. Second, provinces and territories will make corresponding decreases in their social assistance payments for families with children while ensuring these families receive at least the same level of income support from governments. Third, provinces and territories will reinvest these newly-available funds in complementary programs targeted at benefits and services for low income families with children. In addition, the federal government has committed to the reinvestment of reallocated federal social assistance funds for Aboriginal children living on-reserve, consistent with the objectives established for the NCB which were agreed to by F/P/T governments.

The NCB approach is consistent with the objectives and operating principles outlined in the joint F/P/T interim report on a National Child Benefit. F/P/T Social Services Ministers have agreed on a national reinvestment framework for the reallocation of social assistance funds. Under the framework, P/T programs and services will be designed to meet the objectives for the NCB.

In its 1997 budget, the federal government announced an \$850 million down payment to implement the NCB. This included \$250 million to increase benefits for children in the 1996 budget, and \$600 million in new funding. Provinces/territories and the federal government are in the process of developing a common public information paper on the NCB.

Social Services Ministers will provide a status report on the NCB for Premiers' consideration.

Key Outstanding Issues/Next Steps: Details of the NCB proposal are currently being worked out by federal and provincial/territorial officials. This work includes: the interface between the federal Child Tax Benefit and provincial social assistance, the provincial reinvestment framework, legislative changes, accountability and governance, and public communications. Provincial/territorial participation in a National Child Benefit program continues to be conditional upon significant, incremental and permanent federal investment, and mutual agreement on a Reinvestment Framework within the context of supporting provincial flexibility. The design of a National Child Benefit must satisfactorily address major structural issues associated with the reallocation of provincial social assistance benefits, so as to ensure positive provincial/territorial participation as equal partners and to be consistent with a shared desire to remove disincentives to work. The federal government has not indicated its total funding commitment or implementation schedule for a comprehensive NCB. At the 1997 Western Premiers' Conference, Premiers called for a full federal government investment in the National Child Benefit by the year 2000.

Social Services Ministers will meet in the fall of 1997 to review progress in the above areas and direct further work for the NCB System.

National Children's Agenda

Progress to date: A National Children's Agenda was not among the priorities identified at the 1996 Annual Premiers' Conference. This issue emerged as result of the work of Health and Social Services ministries in considering the need to coordinate policies and services relating to healthy child development, in addition to the National Child Benefit. Ministers recognized that both income support and services are necessary to address child poverty. The Federal/Provincial/Territorial Council discussed the need to co-ordinate policies and services relating to the healthy development and well-being of children. Cross-sectoral and intergovernmental discussions on a national children's agenda are taking place, beginning with the health and social services sectors. In this regard, the Provincial/Territorial Council received a commitment from the federal Minister of Health for a review of proposed federal funding reductions to the Community Action Program for Children (CAPC). The 1997 federal budget committed \$100 million dollars over three years to CAPC and the Canada Prenatal Nutrition Program.

Key Outstanding Issues/Next Steps: Federal/Provincial/Territorial Social Services and Health officials are preparing a Report for Ministerial consideration in the fall of 1997. The Report will develop the concept of a National Children's Agenda, identify areas of common interest, and propose a process for proceeding. The Federal/Provincial/Territorial Council will continue to play an important role in co-ordinating and advancing this initiative.

Benefits and Services for Persons with Disabilities

Progress to Date: Federal/Provincial/Territorial Social Services Ministers submitted a progress report and work plan to Premiers and the Council in January 1997. The work plan identified short to medium term strategies that governments could pursue within current fiscal frameworks to improve the existing system of income support for persons with disabilities. For the longer term, it was proposed that a working group on persons with disabilities explore the potential for creating a single integrated benefit for persons with disabilities and to look at issues beyond income support and earnings replacement. The Federal/Provincial/Territorial Council shared the interim report with other social policy sectors for their consideration and any input deemed appropriate to ensure that cross-sectoral implications are identified and pursued.

At their April 1997 meeting, Social Services Ministers reviewed harmonization actions and directions that could be pursued in the short to medium term as well as longer term strategies. Ministers agreed that, before a decision could be made on an approach for the longer term, they needed to come to a consensus on a long-term vision that would outline the objectives for reform. There was agreement that the focus of the work should be broadened beyond the concept of a single integrated benefit to include a full range of strategies aimed at improving benefits and programs supporting persons with disabilities. This work will result in a broad framework that will set out principles and objectives for reforming the system as well as a series of interrelated activities that could be pursued over a multi-year timeframe. To reflect this broadened focus, the

heading for this subject was changed from “Integrated Income Support for Persons with Disabilities” to “**Benefits and Services for Persons with Disabilities**” Work is underway.

In addition, the Council supported Social Services Ministers’ request to extend the Vocational Rehabilitation of Disabled Persons (VRDP) program. The federal government has agreed to extend existing arrangements until March 31, 1998, to enable Federal/Provincial/Territorial Ministers responsible for Social Services to redesign the program arrangements to incorporate a greater emphasis on employment outcomes. Work in this regard is underway.

Key Outstanding Issues/Next Steps: Work on short-term actions as well as the long-term vision and strategic policy objectives will continue over the summer. A roundtable session to assist in developing a long-term vision was held in late June, and included four external experts from academia and non-government organizations. Input is also being sought from national and local disability groups. A paper will be presented to Social Services Ministers at their annual meeting in the fall of 1997 on a longer-term vision of a system of services and supports for persons with disabilities. A multilateral framework for VRDP will be completed over the summer followed by the negotiation and completion of bilateral agreements for the successor to the VRDP program by March 31, 1998.

Health

Progress to Date: As requested by Premiers, Provincial/Territorial Health Ministers have achieved a consensus document entitled “*A Renewed Vision for Canada’s Health System.*” Key elements of the document propose:

- a new working partnership between the federal and provincial/territorial governments with clearly defined roles and responsibilities for each;
- a federal commitment to provide adequate as well as predictable and sustainable funding for the health system;
- a provincial/territorial commitment to maintain a national health system with a reasonably comparable range of services across Canada based on the *Canada Health Act* principles; and,
- a *Canada Health Act* advisory mechanism.

The document was forwarded to Premier Klein (Chair of the Annual Premiers’ Conference), the Honourable Stockwell Day (former Provincial/Territorial Co-chair of the Council on Social Policy Renewal) and the Honourable David Dingwall (former federal Health Minister). It was also tabled at the Provincial/Territorial and Federal/Provincial/Territorial Council Meetings on January 29, 1997 and publicly released.

Key Outstanding Issues/Next Steps: Provinces/Territories are committed to working in partnership with the federal government to develop a joint vision of Canada’s health system for the future. Provincial/Territorial Health Ministers hope that their vision document, combined with the report of the National Forum on Health, provides a solid basis for continued meaningful dialogue with the federal government to develop a joint federal/provincial/territorial vision for the health system of the future.

In response, the federal government has indicated there are some parts of the vision document that it supports (goals and principles; components of the health system; establishing clear roles

and responsibilities; and eliminating overlap and duplication) and other parts that it does not support (*Canada Health Act* advisory mechanism; adequate funding; and federal responsibility for the costs of services to Aboriginal Canadians). The federal government has indicated that it is prepared to work toward a joint federal/provincial/territorial vision focusing on areas of federal concern such as the well-being of children, pharmacare, homecare, health information systems, blood system governance, and promoting adherence to the *Canada Health Act*. In addition, the Prime Minister has written to the Chair of the Annual Premiers' Conference stating that he expects the development of a national vision, based on the Provincial/Territorial vision document and the report of the National Forum on Health, will provide an additional opportunity for federal and provincial governments to work together.

Provincial/territorial health officials have issued a number of invitations to federal health officials to begin a dialogue on a joint vision. Federal officials have not, however, as yet met with their provincial/territorial counterparts. The scheduling of a meeting is a critical next step to progress. The Honourable Russell King, on behalf of Provincial/Territorial Health Ministers, has requested that the development of a joint vision for health be maintained on the agenda of the Federal/Provincial/Territorial Council. The status of this issue will likely be discussed the next time the Federal/Provincial/Territorial Council meets.

Financial Arrangements

Progress to Date: Work-in-progress by Provincial and Territorial Finance officials on an analysis of the history of financial arrangements, the underlying revenue and expenditure imbalance faced by the provinces, and an examination of possible models for financial arrangements in the future has been made available to the Provincial/Territorial Council. This work will assist in ensuring that an agenda for the redesign of financial arrangements is coordinated with social policy renewal.

Key Outstanding Issues/Next Steps: The work of Provincial/Territorial Finance Ministers will provide an important basis for assessing appropriate financial arrangements to deal with the fiscal imbalance and to address emerging issues as social policy renewal proceeds. The process for discussing these issues with the federal government remains to be developed.

Labour Market Matters

Progress to Date: A draft provincial/territorial vision statement for labour market programming has been developed. In addition, new bilateral Labour Market Development Agreements have been concluded with eight provinces. A clause has been included in most agreements, specifying that the agreements will be communicated to all provinces and territories and that, upon request, the federal government will amend an agreement with a province, if another province negotiates a Labour Market Development Agreement with more favourable conditions.

To date, Ontario and the federal government have engaged in informal information gathering sessions on labour market training. Ontario is prepared to sign an agreement pending resolution of its issues relating to fair federal funding for Ontarians. In addition, agreement on a co-management arrangement has been reached by the Yukon and regional HRDC officials and is

currently under review by Yukon and federal justice officials. Moreover, Saskatchewan has begun its negotiations on a labour market agreement.

The development of a youth employment strategy, as requested by Premiers at the 1996 APC, has begun. Work is currently underway at the provincial/territorial level to identify a set of common principles and key elements for the strategy. At the 1997 Western Premiers' Conference (WPC), Premiers agreed to prepare a Western Best Practices Report on youth employment programs and directed their Ministers responsible to develop a coordinated western approach to the national discussions on youth employment. The Premier of British Columbia, as Chair of this year's WPC, will take this report forward to the 1997 Annual Premiers' Conference.

In addition, Labour Market Ministers will continue to administer the Labour Mobility chapter of the Agreement on Internal Trade.

Key Outstanding Issues/Next Steps: The development of a comprehensive youth employment strategy needs to be completed. The Forum of Labour Market Ministers (FLMM) is reviewing its 1997-98 work plan with a view to amending it to reflect the 1995 *Ministerial Council Report* and 1996 Annual Premiers' Conference *Issues Paper* directions and work on a comprehensive youth employment strategy. The FLMM will also undertake a review of the overall funding levels and the allocation formula for the labour market agreements. In addition, work is in progress to fully implement the labour mobility chapter of the Agreement on Internal Trade.

Federal Off-Loading of Costs of Services for Aboriginal Peoples

Progress to Date: The Provincial/Territorial Council has coordinated the development of possible strategies for addressing provincial and territorial concerns about federal off-loading of costs of services for Aboriginal peoples. Aboriginal Affairs Ministers were asked by the Provincial/Territorial Council to recommend a strategy for receiving input on this issue from Aboriginal peoples at the national, provincial and local levels. Provincial/Territorial Aboriginal Affairs Ministers met with several national Aboriginal leaders on April 18, 1997 and requested their input on four strategic options for dealing with federal reductions in the costs of services for Aboriginal peoples. The Chair of the Aboriginal Affairs Ministers requested that the national leaders forward their detailed comments in writing. Input received was incorporated into strategies that were reviewed by the Provincial/Territorial Council in June 1997.

At the October 28, 1996 meeting between five Premiers and Canada's five national Aboriginal Leaders, it was agreed that "federal off-loading of fiscal and fiduciary responsibilities for Aboriginal peoples must cease." In keeping with the "Points of Agreement" reached at this meeting, the Federal/Provincial/Territorial Council Co-Chairs met with these Aboriginal leaders on February 3, 1997 to discuss social policy issues.

Key Outstanding Issues/Next Steps: The position of the provinces and territories, as described in the *Ministerial Council Report* (1995) and again in the *Issues Paper* (1996), is that the federal government should accept its full responsibility for the costs of programming for Aboriginal peoples, both on and off reserve, with a gradual transfer of authority to Aboriginal communities. While the Prime Minister agreed in principle with most elements of the *Ministerial Council*

Report, he did not agree that the federal government has responsibility for Aboriginal Canadians both on and off reserve. The federal government's policy on this issue remains unchanged.

The strategies for dealing with federal reductions in the costs of services for Aboriginal peoples have been forwarded to Premiers for their review and consideration. Further work on this priority will be based on Premiers' direction.

Options for Intergovernmental Mechanisms or Processes to Develop and Promote Adherence to National Principles and Standards, and New Approaches to the Use of the Federal Spending Power

Progress to Date: Options for new approaches to Canada's social union have been developed by the Provincial/Territorial Council for consideration by Premiers.

Key Outstanding Issues/Next Steps: A set of options for next steps has been provided for Premiers' review. Both federal/provincial/territorial and provincial/territorial options are included. The federal government has repeatedly expressed interest in participating with the provinces and territories in this work.

Mobility

Status: The issue of mobility, per se, was not explicitly addressed in the 1995 *Ministerial Council Report* nor the 1996 Annual Premiers' Conference *Issues Paper*. However, provinces and territories working together on issues such as mobility was acknowledged as important in the examination of new approaches to Canada's social union. In addition, the issue of mobility, as it relates to the CHST, emerged in February 1997 discussions between British Columbia and the federal government. The Premier of British Columbia and the Prime Minister agreed to pursue work on this issue among all provinces and the federal government. The federal Co-Chair of the Federal/Provincial/Territorial Council subsequently wrote to the provincial Co-Chair indicating that ensuring mobility for Canadians within Canada should remain a principle of the social union. The federal Co-Chair has expressed his desire to discuss this issue when he meets next with the Council. A federal Liberal policy document also references this issue.

Key Outstanding Issues/Next Steps: Further provincial/territorial work on this issue depends on direction from Premiers on new approaches to Canada's social union. Moreover, the Government of Canada has committed to a national review to specifically address mobility issues under the CHST. The federal government proposes to consult all provinces on the terms of reference and the nature of the review. The review is proposed to be conducted over a two year period commencing in the 1997-98 fiscal year.

Council of Ministers of Education, Canada (CMEC)

Progress to Date: The Council of Ministers of Education has forwarded its 1993 Joint Declaration on Future Directions to the Provincial/Territorial Council as their vision for education in Canada. The CMEC has also written to the federal government to initiate discussions on the need for adequate levels of student aid and concerns about the increasing debt loads of students.

Key Outstanding Issues/Next Steps: The federal government has begun multilateral discussions on the increasing debt loads of students, but has not yet taken action on provincial/territorial concerns about adequate Canada Student Loan Program levels. In its 1997 budget, the federal government announced improved tax assistance for students and its interest in exploring an income contingent repayment program for student loans. However, it did not address the outstanding issue of student debt loads. The Intergovernmental Consultative Committee on Student Financial Assistance (ICCSFA) is conducting an analysis with regard to students who are in the greatest need of assistance (ICCSFA operates under the auspices of the CMEC and is the mechanism through which federal, provincial and territorial governments deal with student financial issues). Provinces are providing information to the federal government as part of this exercise. At the 1997 Western Premiers' Conference, Premiers called on the federal government to provide student debt relief by implementing a debt reduction grant program.

Gender Equity Issues

Progress to Date: Ministers Responsible for the Status of Women have prepared a vision document entitled *Social Policy Renewal: A Vision for Gender Equity* (1996). The Provincial/Territorial Council has forwarded the document to all Council working groups and to all sectoral councils and has asked them to use it as an overlay in their decision making. Status of Women Ministers have sent letters to all sectoral councils, offering the assistance of their officials in identifying potential differential impacts on women and facilitating the analysis of these impacts.

Key Outstanding Issues/Next Steps: Sectoral Councils will consider how best to use the vision document and how best to involve Status of Women officials in assessing reform and renewal initiatives from a gender equity perspective.

Housing

Progress to Date: Federal housing officials have been meeting on a bilateral basis with their provincial/territorial counterparts to discuss possible agreements for the federal withdrawal from social housing. Agreements have been completed with Saskatchewan, New Brunswick, Newfoundland and Labrador, and the Northwest Territories.

Key Outstanding Issues/Next Steps: Long-term federal funding for housing remains an outstanding issue.

IV. Public Input

The Council noted that the views of all Canadians will be an important part of the renewal of the social safety net. It was recognized that public consultation takes many forms and that over the last couple of years, much consultation has happened. The Council agreed that each province and territory will undertake consultations as it deems appropriate. This consultation will be brought to the Council through each jurisdiction's representative on the Council. The Council also agreed that it would accept written input from national organizations and forward specific sectoral input to the appropriate sectoral ministers. Consultation processes related to the development of specific program initiatives as part of social policy renewal, such as the national child benefit, remain at the discretion of individual jurisdictions and the lead sectoral council.

V. Conclusion and Recommendations for Next Year's Priorities

Since the 1996 Annual Premiers' Conference, there has been a considerable amount of activity and progress on social policy reform and renewal, including a national child benefit, and labour market agreements. However, there is still much work to be done. Continued and strong provincial/territorial leadership will be key to ensuring that provincial/territorial priorities are addressed and that progress is made in all issues pertaining to social policy renewal.

The Provincial/Territorial Council on Social Policy Renewal will continue to coordinate an approach to overarching social policy issues of national importance based on the *Ministerial Council Report* and the *Issues Paper on Social Policy Reform and Renewal: Next Steps* and any additional direction from Premiers. The Provincial/Territorial Council will also work with sectoral Councils on work plans and time frames for implementing reform and renewal, and with the federal government, through the Federal/Provincial/Territorial Council, to advance provincial/territorial interests and to make concrete progress on social policy reform and renewal. The Provincial/Territorial Council will also report to Premiers, as required, on the progress of work undertaken by both the Council and sectoral ministries.

Recommendations:

The Provincial/Territorial Council recommends that the priorities for the next year focus on the continued coordination of progress in the following areas:

1. **National Child Benefit** - Implementation by July 1998 or sooner. Longer-term incremental and permanent federal funding for this initiative is critical to its success.
2. **Benefits and Services for Persons with Disabilities** - Development of a vision and progress on specific initiatives.
3. **National Children's Agenda** - Development of a national children's agenda, identification of common areas of interest, and agreement on a process for proceeding.
4. **Health Vision** - Development of a Federal/Provincial/Territorial vision for the health system of the future.
5. **Financial Arrangements** - Work with Provincial/Territorial Ministers of Finance to ensure that financial arrangements are appropriate in the context of social policy reform, and address fiscal imbalance.
6. **Youth Employment Strategy** - Work with the Forum of Labour Market Ministers and draw on the Best Practices Report to ensure that a Youth Employment Strategy is developed.
7. **Student Loans/Debt** - Work with the federal government to address the adequacy of student loan levels, the high levels of student debt, recognizing that improved federal/provincial/territorial coordination is necessary to meet student financial need and solve the problem of student debt.

It is also recommended that the Provincial/Territorial Council continue its lead role on broad overarching issues including:

1. **New Federal/Provincial/Territorial Approaches to the Social Union** - Proceed with direction from Premiers. Provinces and territories to work with the federal government on new approaches to the social union.
2. **New Provincial/Territorial Approaches to the Social Union** - Proceed with direction from Premiers. Provinces and territories to work among themselves on new approaches to the social union.
3. **Strategies to Prevent or Minimize Federal Reductions in Services and Support to Aboriginal Peoples** - Proceed with direction from Premiers.
4. **Provincial/Territorial Work on Mobility** - Provinces and territories to work among themselves on mobility issues, as per direction from Premiers.
5. **Federal/Provincial/Territorial Work on Mobility** - Proceed with direction from Premiers. Also seek clarification from the federal government at next Federal/Provincial/Territorial Council Meeting with respect to their intentions on mobility issues.

Appendix I: Mandate and Approach

Provincial/Territorial Council

In addition to coordinating an approach to overarching social policy issues of national importance, the Council will also:

- support and coordinate the work of sectoral ministries in developing practical solutions in specific areas of priority;
- report to Premiers on progress on social policy renewal on a regular basis;
- make recommendations on how to advance the social policy renewal agenda. Key elements of the Council's mandate include:
 1. the priorities identified in the 1996 Annual Premiers' Conference communiqué on social policy reform and renewal;
 2. overarching and cross-cutting issues such as to:
 - prepare options for mechanisms or processes to develop and promote adherence to national principles and standards;
 - look at new approaches to the use of the federal spending power to ensure that the federal government cannot continue to unilaterally use it to impose conditions on social programs;
 - coordinate a strategy to move forward provincial/territorial concerns on federal off-loading of services to Aboriginal people, including a process for obtaining input from Aboriginal leaders;
 3. work with sectoral Councils on work plans and time frames for implementing reform and renewal based on the *Ministerial Council Report*, and,
 4. work with the federal representatives to establish a F/P/T Council mandate, agenda, ground rules and reporting process to First Ministers.

Federal/Provincial/Territorial Council

At its first meeting on November 27, 1996 the Council reached agreement on its mandate, ground rules for working together and process for public input. The mandate of the F/P/T Council is to co-ordinate an approach to overarching social policy issues of national importance and to support and coordinate the work of sectoral ministries such as social services, labour market, health care, etc. in developing practical solutions in specific areas of priority. The Council will rely on individual sectors to develop and implement specific reforms.

Appendix II: Ground Rules for Cooperation

The P/T and the F/P/T Councils have agreed that the following ground rules will guide their work:

- **Transparency:** Any offer or agreement made available to one province or territory from the federal government should be communicated to all provinces and territories, and made available to all provinces or territories.
- **Cooperation:** Begin a process of effective and respectful cooperation, with major decisions in areas of shared jurisdiction, or that impact on other orders of government, made through agreement by both orders of government, rather than unilaterally.
- **Equal Partners:** Each government comes to the negotiations as an equal partner.
- **Discretion:** Each designate is authorized by respective cabinets to speak for his or her government.
- **Whole of Government Perspective:** It is important that each designate take a "whole of government" perspective. Many of the issues needing resolution in social policy will span across sectors, often involving such varied departments as those responsible for finance, social services, and labour markets.