

**Report No. 3**

**Provincial/Territorial Council on Social Policy Renewal**

**Progress Report  
to  
Premiers**



**August 1998**

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

<b>Saskatchewan</b>	Honourable Bernhard H. Wiens (Chair) Minister of Intergovernmental and Aboriginal Affairs
<b>Alberta</b>	Honourable Lyle Oberg Minister of Family and Social Services
<b>British Columbia</b>	Honourable Andrew Petter Minister of Intergovernmental Relations
<b>Manitoba</b>	Honourable Bonnie Mitchelson Minister of Family Services
<b>New Brunswick</b>	Honourable Bernard Thériault Minister of Intergovernmental and Aboriginal Affairs
<b>Newfoundland</b>	Honourable Joan Marie Aylward Minister of Health and Community Services
<b>Northwest Territories</b>	Honourable Kelvin Ng Minister of Health and Social Services
<b>Nova Scotia</b>	Honourable Francene J. Cosman Minister of Community Services
<b>Ontario</b>	Honourable Dianne Cunningham Minister of Intergovernmental Affairs
<b>Prince Edward Island</b>	Honourable Mildred A. Dover Minister of Health and Social Services
<b>Yukon</b>	Honourable David Sloan Minister of Health and Social Services

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**Progress Report  
to  
Premiers**

**Summary**

**August 1998**



**PROVINCIAL/TERRITORIAL COUNCIL ON SOCIAL POLICY RENEWAL**

**REPORT TO PREMIERS, NO. 3**

<b>PREMIERS' DIRECTION - 1997 APC</b>	<b>PROGRESS/STATUS</b>	<b>RECOMMENDATION/NEXT STEPS</b>
<p><b>SOCIAL UNION FRAMEWORK AGREEMENT</b> - Premiers agreed that the P/T Council on Social Policy Renewal should negotiate with the federal government on a framework agreement for the management of the Social Union, including federal spending in areas of provincial jurisdiction, establishment of national principles, and dispute resolution.</p> <p>Premiers also directed interprovincial discussions on these issues.</p>	<p>On December 12, 1997, First Ministers agreed to negotiate a Framework Agreement for Canada's Social Union, with negotiating objectives of: social policy principles; collaborative approaches to the use of the federal spending power; dispute settlement mechanisms between governments; ground rules for intergovernmental cooperation; and processes for clarification of roles and responsibilities.</p> <p>The P/T Council agreed that the priority is to proceed with negotiations with the federal government.</p> <p>F/P/T Framework Ministers met: March 13, 1998, to launch negotiations; April 17, 1998, to discuss social policy principles; and June 18, 1998, to discuss collaborative approaches to the Social Union.</p>	<p>That Premiers: reiterate that a Framework Agreement is an urgent priority of provinces/territories; call on the federal government to commit to negotiating a Framework Agreement that will establish a new collaborative partnership; and direct the P/T Council to work with federal colleagues towards completing a draft Framework Agreement that addresses P/T concerns and objectives by later this Fall, and report progress to Premiers no later than October 1998.</p>

PREMIERS' DIRECTION - 1997 APC	PROGRESS/STATUS	RECOMMENDATION/NEXT STEPS
<p><b>NATIONAL CHILDREN'S AGENDA - DEVELOPING A SHARED VISION -</b> Premiers expressed strong support for the development of a National Children's Agenda as a priority of the Social Policy Renewal agenda.</p>	<p>In December 1997, First Ministers agreed to fast track work on the NCA through the F/P/T Council on Social Policy Renewal. Preliminary work toward the development of a framework for the NCA has been completed. The Council directed the NCA Working Group to emphasize a shared vision for children, and to draft a discussion document and options for public engagement.</p>	<p>That Premiers reaffirm their commitment to fast track the NCA, and encourage continued work to complete the draft discussion document and develop options for engaging the public in developing a shared vision for enhancing the well-being of Canada's children.</p> <p>That Premiers endorse the importance the Council attaches to determining best practices, and monitoring results and outcomes.</p>

PREMIERS' DIRECTION - 1997 APC	PROGRESS/STATUS	RECOMMENDATION/NEXT STEPS
<p><b>HEALTH</b> - Premiers agreed that a key priority for reinvestment of the federal fiscal dividend is funding for a modern and sustainable health system.</p>	<p>Provinces/territories are unanimous that the federal government's first spending priority should be increased funding for basic health services, through restoration of the funding through existing transfer programs.</p> <p>In December 1997, First Ministers agreed to work together to ensure that the fundamentals of the health system remain solidly in place. F/P/T Health Ministers are proceeding with work on roles and responsibilities; physician services; pharmaceutical issues; and strategic directions and priority-setting.</p>	<p>That Premiers reiterate their call that the federal government restore funding through existing fiscal arrangements, including the CHST and the Equalization program, in support of current health care, education, and social programs, before any new federal programs are introduced.</p> <p>That Premiers direct Health Ministers to continue their work on delineating roles and responsibilities, physician services, pharmaceutical issues, and joint strategic directions and priority-setting.</p>

PREMIERS' DIRECTION - 1997 APC	PROGRESS/STATUS	RECOMMENDATION/NEXT STEPS
<p><b>NATIONAL CHILD BENEFIT</b> - Premiers called on the federal government to increase its investment to at least \$2.5B per year by the year 2000, to provide the investment necessary to achieve NCB objectives.</p>	<p>In December 1997, First Ministers reconfirmed their commitment to the NCB, and agreed to develop a plan for the second federal contribution of \$850M. The 1998 Federal Budget committed two additional contributions of \$425M in both 1999 and 2000.</p> <p>Phase 1 of the NCB was implemented in July 1998, through a combination of increased Canada Child Tax Benefits, and a range of P/T reinvestment initiatives.</p>	<p>That Premiers continue to call for a full investment of \$2.5B in the NCB by the year 2000, with no unilateral federal changes to the program.</p> <p>Premiers also reaffirm their collective commitment to fully reinvest provincial savings to programs in support of low income families with children.</p>
<p><b>BENEFITS AND SERVICES FOR PERSONS WITH DISABILITIES</b> - Premiers endorsed a long-term vision and policy objectives for a system of services and supports for persons with disabilities, and the negotiation of bilateral agreements with the federal government on a successor to the Vocational Rehabilitation for Disabled Persons (VRDP) program.</p>	<p>In December 1997, First Ministers directed Social Services Ministers to complete bilateral agreements for Employability Assistance for Persons with Disabilities (EAPD), and to conclude development of a vision statement and national framework. Bilateral EAPD Agreements been signed by all P/T governments (except Quebec, Yukon, and Northwest Territories) and the federal government.</p> <p>Social Services Ministers prepared, <i>In Unison: A Canadian Approach to Disability Issues</i>, and will review consultation results, and give consideration to releasing the <i>In Unison</i> paper publicly in the Fall. A status report on the harmonization strategy on income support is also being developed for the Fall meeting of Social Services Ministers.</p>	<p>That Premiers endorse continued work toward harmonizing income support for persons with disabilities, and developing a longer-term vision for improved income support and services.</p> <p>That Premiers note the importance of public involvement and encourage Social Service Ministers' finalization of the <i>In Unison</i> paper.</p>

PREMIERS' DIRECTION - 1997 APC	PROGRESS/STATUS	RECOMMENDATION/NEXT STEPS
<p><b>FINANCIAL ARRANGEMENTS -</b> Premiers requested that P/T Finance Ministers recommend a plan to address P/T priorities in financial arrangements, including the Equalization program.</p>	<p>P/T Finance Ministers prepared papers on financial arrangements which were forwarded to Premiers and then to the Prime Minister; developed proposals for reform of fiscal arrangements; and expressed to the federal Finance Minister that federal funding should be restored through existing transfer programs in support of current health care, education and social programs, before new federal programs are introduced.</p>	<p>That Premiers reiterate their call that the federal government restore funding through existing fiscal arrangements, including the CHST and the Equalization program, in support of current health care, education, and social programs, before any new federal programs are introduced.</p> <p>That Premiers call for the Prime Minister to commit his Finance Minister to work with P/T Finance Ministers to resolve fiscal arrangements issues.</p>



PREMIERS' DIRECTION - 1997 APC	PROGRESS/STATUS	RECOMMENDATION/NEXT STEPS
<p><b>LABOUR MARKET MATTERS -</b> Premiers directed P/T Labour Market Ministers to develop a comprehensive youth employment strategy by January 1998, and emphasized that the federal government must meet its responsibilities for Aboriginal youth.</p> <p>Premiers called on the federal government to reduce employment insurance premiums, without a reduction in benefits, and directed Labour Market Ministers to review adequacy of EI benefits for low income seasonal workers.</p>	<p>On December 1, 1997, Provincial/Territorial Labour Market Ministers (except Quebec) publicly released, <i>A Provincial/Territorial National Youth Employment Strategy</i>.</p> <p>At their December 1997 meeting, First Ministers committed to a youth employment action plan and directed Labour Market Ministers to put into motion a four-point Agenda for Action. In March 1998, F/P/T Labour Market Ministers (except Quebec) endorsed, <i>A New F/P/T Partnership on Youth Employment</i>.</p> <p>Nine provinces and two territories have signed Labour Market Development Agreements. Provinces/territories are working to identify approaches to resolve outstanding issues.</p> <p>P/T Finance Ministers are recommending specific EI premium reductions that may be achieved without affecting existing EI benefits.</p>	<p>That Premiers ask Labour Market Ministers to undertake further work with the federal government to develop multilateral actions on youth employment and design an implementation plan.</p> <p>That Premiers ask Labour Market Ministers continue their work in identifying issues under Labour Market Development Agreements where multilateral action may be necessary, and to report progress for the 1999 APC.</p>

PREMIERS' DIRECTION - 1997 APC	PROGRESS/STATUS	RECOMMENDATION/NEXT STEPS
<p><b>FEDERAL OFF-LOADING OF COSTS OF SERVICES FOR ABORIGINAL PEOPLES</b> - Premiers directed Aboriginal Affairs Ministers to begin discussions with their federal counterpart and national Aboriginal leaders on a comprehensive approach to ensure the federal government meets its constitutional and fiduciary obligations to Aboriginal peoples.</p>	<p>At a May 1998, meeting of F/P/T Ministers for Aboriginal matters with national Aboriginal leaders, parties agreed to continue work toward a comprehensive approach which proposes a process of cooperation between F/P/T governments and Aboriginal peoples in developing a cross-sectoral action plan to identify strategic ways to improve social, economic and environmental conditions for Aboriginal peoples.</p>	<p>That Premiers reiterate their interest in a comprehensive approach to ensure the federal government meets its obligations to Aboriginal peoples, and direct P/T Ministers of Aboriginal Affairs, in consultation with Aboriginal leaders, to develop a consensus on this approach in advance of the next meeting with the federal Minister.</p> <p>That Premiers ask P/T Ministers of Aboriginal Affairs to develop recommendations on the nature, structure, and priorities of an ongoing process for consultation among themselves, and with Aboriginal Leaders, and the federal government.</p> <p>That Premiers ask Ministers of Aboriginal Affairs to work with national Aboriginal organizations and Labour Market Ministers in the development of a National Aboriginal Youth Strategy.</p>

PREMIERS' DIRECTION - 1997 APC	PROGRESS/STATUS	RECOMMENDATION/NEXT STEPS
<p><b>EDUCATION MATTERS</b> - Premiers called on the federal government to work with provinces/territories to expedite the review of the Canada Student Loans Program loan limits and implement recommended improvements; implement grants for students with dependants; and pay its proportional share of debt reduction/management programs.</p>	<p>In December 1997, First Ministers agreed that the federal Ministers of Finance and Human Resources Development Canada (HRDC) would accelerate work in concert with P/T Education Ministers, so that it could be taken into account in the next federal budget.</p> <p>In February 1998, P/T Ministers wrote to the HRDC Minister, expressing concern with the proposed Canada Millennium Scholarship Fund and other federal measures.</p> <p>Bilateral discussions are underway to better coordinate federal/provincial student financial assistance programs, which may lead to a single, harmonized loan product in each jurisdiction.</p>	<p>That Premiers express their serious concern with the federal government's unilateral introduction of the Millennium Scholarship Fund; and call on the federal government to work with provinces and territories to address common provincial/territorial concerns with the Fund, and to integrate these scholarships within the overall framework of student financial assistance programs.</p> <p>That Premiers ask the Council of Ministers of Education, Canada to examine the potential for common approaches to the federal government regarding harmonization of F/P/T student financial assistance/debt reduction measures and report progress for the 1999 APC.</p>

PREMIERS' DIRECTION - 1997 APC	PROGRESS/STATUS	RECOMMENDATION/NEXT STEPS
<p><b>STATUS OF WOMEN</b> - Premiers endorsed initiatives to encourage assessment of social policy renewal initiatives from a gender equity perspective.</p>	<p>The P/T Council forwarded to all Sector Councils the document, <i>Social Policy Renewal: A Vision for Gender Equity</i>. Status of Women Ministers released a document, <i>Economic Gender Equality Indicators</i>, in October 1997, as an instrument to inform gender analysis.</p> <p>Ministers are working with F/P/T Finance Ministers to facilitate gender analysis related to the Canada Pension Plan.</p>	<p>That Premiers reiterate their commitment to gender analysis in social policy renewal and encourage Sector Councils to integrate this approach into their work.</p>
<p><b>HOUSING</b> - Premiers noted that long-term federal funding for social housing remains an outstanding issue.</p>	<p>The federal government has concluded agreements with SK, NB, NF, NS and NT to take over management of existing federal social housing in these jurisdictions. Discussions with other provinces are in progress.</p>	<p>That Premiers ask P/T Ministers for Social Housing to discuss options to address the issue of long-term funding.</p>

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Note: While sharing essentially the same concerns, the Government of Quebec does not intend to adhere to the federal/provincial/territorial approach or the provincial/territorial approach to social policies. Consequently, any reference to joint federal/provincial/territorial positions or provincial/territorial positions in this document do not include the Government of Quebec.

## PROVINCIAL/TERRITORIAL COUNCIL ON SOCIAL POLICY RENEWAL PROGRESS REPORT TO PREMIERS NO. 3 - AUGUST 1998

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### INTRODUCTION

The Provincial/Territorial Council on Social Policy Renewal (P/T Council) was established in 1996 following the endorsement of Premiers (except Quebec) of the *Issues Paper on Social Policy Reform and Renewal: Next Steps*, at the 1996 Annual Premiers' Conference. The mandate of the P/T Council is to: coordinate an approach to overarching social policy issues of national importance; 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; and make recommendations on how to advance the social policy renewal agenda.

Over the past year, the P/T Council has worked to coordinate the implementation of Premiers' social policy renewal objectives, as directed at the 1997 Annual Premiers' Conference. Substantial progress has been achieved by the Sector Councils and the P/T Council.

The P/T Council met on October 6, 1997, in St. John's, NF, and discussed a work plan to develop a F/P/T Framework Agreement on Canada's Social Union. Plans for Framework negotiations were further discussed when the Council met again in Toronto on January 19, 1998. At this meeting, the Council appointed the Saskatchewan Minister of Intergovernmental and Aboriginal Affairs, the Honourable Bernhard H. Wiens, as the P/T Co-Chair for the Framework Agreement negotiations.

The F/P/T Council on Social Policy Renewal met on March 13, 1998, in Toronto, and launched negotiations on a Framework Agreement for Canada's Social Union. The F/P/T Council also reviewed progress on the commitments in the various social sectors, agreed to at the First Ministers' Meeting of December 12, 1997. In particular, the Council discussed measures to expedite the development of the National Children's Agenda, and acknowledged the work of Social Services Ministers in developing a vision and framework on issues regarding persons with disabilities. The Council agreed that all governments must ensure that sufficient resources are devoted to health care, and emphasized the importance of achieving broad agreement on future priorities. The F/P/T Council met again in Toronto on June 18, 1998 to discuss the Framework Agreement negotiations and to review work on the National Children's Agenda.

This *Progress Report to Premiers* summarizes the progress of: Social Union Framework negotiations; the National Children's Agenda; and social policy sector initiatives.

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## **SOCIAL UNION FRAMEWORK**

**Premiers' Direction** - Through the 1995 *Ministerial Council on Social Policy Reform and Renewal Report to Premiers*, the 1996 *Issue Paper on Social Policy Reform and Renewal: Next Steps*, and the 1997 *New Approaches to Canada's Social Union*, Premiers have established an ongoing agenda for social policy reform in Canada.

At the 1997 APC, Premiers agreed that the Council on Social Policy Renewal should negotiate with the federal government a broad framework agreement on the social union to address cross-sectoral issues such as common principles, federal spending in areas of provincial jurisdiction, and new ways to manage and resolve disagreements.

**Progress** - Subsequent to the Premiers' direction, the P/T Council met on October 6, 1997, to discuss the development of a Social Union Framework Agreement and to prepare for negotiations with the federal government. The P/T Council agreed that the priority is to proceed with negotiations with the federal government.

At the First Ministers' Meeting last December, the federal government agreed to participate in negotiations on a Social Union Framework Agreement, and agreed that these negotiations would be conducted by designated Ministers, under the auspices of the Federal/Provincial/Territorial Council on Social Policy Renewal (F/P/T Council). It was agreed that the Framework negotiations should be completed by July 1998, and that the objectives for the negotiations are:

- a set of principles for social policy, such as mobility and monitoring social policy outcomes;
- collaborative approaches to the use of the federal spending power;
- a mechanism for settling disputes between governments;
- ground rules for intergovernmental cooperation; and,
- processes for clarifying roles and responsibilities within various social policy sectors.

The P/T Council met on January 19, 1998, to discuss provincial/territorial plans for the Framework Agreement negotiations and confirmed that P/T Council members would represent their respective jurisdictions in the negotiations for a Framework Agreement on the Social Union. P/T Council members appointed the Saskatchewan Minister of Intergovernmental and Aboriginal Affairs, the Honourable Bernhard H. Wiens as P/T Co-chair of the Framework Committee. The lead federal Minister for the negotiations is the Honourable Anne McLellan, Minister of Justice.

The F/P/T Council met on March 13, 1998, to formally launch the Social Union Framework negotiations. F/P/T Framework Ministers subsequently met on April 17, 1998. They discussed social policy principles, and identified processes for clarifying

roles and responsibilities, and collaborative approaches to federal spending in areas of provincial jurisdiction, as priorities for negotiation. F/P/T Framework Ministers met again on June 18, 1998, and discussed issues regarding collaborative approaches to the Social Union.

**Recommendations** - The P/T Council recommends that Premiers:

- ▶ reiterate that a Framework Agreement committing governments to cooperate in ensuring all Canadians are provided with effective social programs, is an urgent priority of provinces and territories;
- ▶ call on the federal government to express its commitment to negotiating a Framework Agreement that will establish a new collaborative partnership;
- ▶ direct the P/T Council to work with its federal colleagues towards completing a draft Framework Agreement that addresses the concerns and objectives of provinces and territories, as discussed at the 1997 Annual Premiers' Conference. These objectives include ensuring stable and adequate federal financial support for social programs through existing financial arrangements, and ending federal unilateralism in areas of provincial jurisdiction; and,
- ▶ propose that a Framework Agreement be completed by later this Fall, and direct Ministers to report progress on the negotiations to Premiers no later than October, 1998.

### **NATIONAL CHILDREN'S AGENDA - DEVELOPING A SHARED VISION**

**Premiers' Direction** - At the 1997 Annual Premiers' Conference, Premiers expressed strong support for the development of the NCA as a priority initiative of the Social Policy Renewal agenda.

**Progress** - At their December 1997 meeting, First Ministers agreed to "fast track" work on the NCA through the F/P/T Council on Social Policy Renewal. A Working Group on the NCA has been created which is co-chaired by Health Canada and Saskatchewan Social Services, and includes officials from the health, social services, justice and education sectors, and from all governments (except Quebec, which attends as an observer). Representatives of the five national Aboriginal organizations have been providing advice and assistance to the Working Group.

The Council received presentations by the NCA Working Group Co-chairs in March and June 1998. Preliminary work toward the development of a framework for the National Children's Agenda has been completed. At their June 18, 1998 meeting, F/P/T Council Ministers reaffirmed their commitment to work together and discussed the need to develop a shared vision on how to enhance the well-being of Canada's children.

Ministers affirmed that the vision cannot be one of governments alone, but must be developed through an inclusive approach that allows for the participation of all segments of Canadian society. They agreed that the approach should be integrated and should recognize the importance of families, communities, and the volunteer and private sectors. Ministers noted that it is important to acknowledge existing best practices and to monitor results and outcomes. The F/P/T Council also asked the Working Group to draft a discussion document and options for public engagement, to include the public in developing a shared vision for children.

**Recommendation** - The Council recommends that Premiers reaffirm their commitment to “fast track” the NCA, and that Premiers encourage the Councils’ continued work to advance the NCA by completing the draft discussion document and developing options to engage the public in developing a shared vision for enhancing the well-being of Canada’s children.

The Council also recommends that Premiers endorse the importance that the Council attaches to determining best practices, and monitoring results and outcomes.

## **STATUS OF SECTORAL INITIATIVES**

### **Health**

**Premiers’ Direction** - At the 1997 Annual Premiers' Conference, Premiers concluded that "a key priority for reinvestment of this [federal fiscal] dividend is funding for a modern and sustainable health system."

**Progress** - Provinces and territories are unanimous in the view that the federal government’s first spending priority should be increased funding for basic health services, through restoration of funding through existing transfer programs. At their December 1997 meeting, First Ministers agreed to work together to ensure that the fundamentals of the health system remain solidly in place.

F/P/T Health Ministers have established Work Groups to examine and consider aspects of a joint vision for Canada's future health system, including: scope of the health system; roles and responsibilities; physician services; pharmaceutical issues; and *Canada Health Act* interpretation issues. Work on *Canada Health Act* interpretation is now being pursued as part of the negotiations for a Framework Agreement on the Social Union, and the scope of the health system is now being addressed through the work in other areas.

The Health Sector is also working toward joint strategic directions and priority-setting. It is anticipated that a proposal on this initiative will be presented for consideration at the F/P/T Health Ministers’ Meeting this Fall.



**Recommendation** - The Council recommends that Premiers reiterate their call that the federal government restore funding through existing fiscal arrangements, including the CHST and the Equalization program, in support of current health care, education, and social programs, before any new federal programs are introduced.

The Council also recommends that Health Ministers continue their work on: delineating roles and responsibilities; physician services; pharmaceutical issues; and joint strategic directions and priority-setting.

### **National Child Benefit**

**Premiers' Direction** - At the 1997 Annual Premiers' Conference, Premiers called on the federal government to increase its investment to at least \$2.5B per year by the year 2000, in order to provide the investment necessary for the NCB to fully meet its objectives.

**Progress** - At their December 1997 meeting, First Ministers reconfirmed their commitment to the NCB, and agreed to develop a plan for the second federal contribution of \$850M. The 1998 federal Budget committed additional federal contributions of \$425M in 1999 and \$425M in 2000. This second federal instalment of \$850M over two years does not meet the expectations expressed by Premiers at the 1997 APC, for full funding of \$2.5B by the year 2000.

In March 1998, F/P/T Social Services Ministers released a Governance and Accountability Framework that commits all governments to the objectives and operating principles of the NCB. Governments are also committed to releasing the first *National Child Benefit Accountability and Performance Report* by the end of 1998.

Phase 1 of the NCB was implemented in July 1998, through a combination of increased Canada Child Tax Benefits, and a range of P/T reinvestment initiatives.

**Recommendation** - The Council recommends that Premiers acknowledge the positive, cooperative work of governments regarding the NCB, and continue to call for a full investment in the National Child Benefit by the year 2000, with no unilateral federal changes to the program. Toward this objective, it is proposed that Premiers call for additional federal investments of \$850M in 1999 and 2000, and reaffirm their collective commitment to fully reinvest provincial savings to programs in support of low income families with children.

The Council also recommends that Premiers express support for the Social Services Ministers' approach to governance and accountability.

## **Benefits and Services for Persons with Disabilities**

**Premiers' Directive** - At the 1997 Annual Premiers' Conference, Premiers endorsed the work of Social Services Ministers in developing a long-term vision and policy objectives for a system of services and supports for persons with disabilities, and endorsed negotiating bi-lateral agreements with the federal government on a successor to the Vocational Rehabilitation of Disabled Persons program.

**Progress** - At the First Ministers' Meeting in December 1997, First Ministers reviewed progress, and endorsed work on program harmonization and the Employability Assistance for Persons with Disabilities (EAPD) program. First Ministers directed Social Services Ministers to "complete bilateral agreements for EAPD by April 1998, and to bring to a conclusion the development of a vision statement and national framework to guide future collaborative work in this area".

Bilateral agreements on the EAPD have been concluded by nine provinces and the federal government, and tentative agreement has been reached with Quebec. Arrangements with Yukon and the Northwest Territories have not been concluded because of issues related to the territories' Formula Funding arrangements.

Social Services Ministers have agreed that a multi-sectoral approach to disability issues, which involves the disability community, is required to effectively address the needs of Canadians with disabilities. Social Services Ministers have prepared a "shared vision and policy framework" document entitled: *In Unison: A Canadian Approach to Disability Issues*. In July 1998, targeted discussions on this document were undertaken through consultations with key stakeholders. Additional work will be done to reflect the information and recommendations resulting from these consultations. Social Services Ministers will review the results of this consultation in Fall 1998.

P/T Social Services Ministers have agreed on income harmonization initiatives, including rapid reinstatement of social services benefits to persons with disabilities, to support their attempts to participate more actively in the labour market.

A status report on the income support harmonization strategy is currently being developed for the Fall meeting of Social Services Ministers. This report will focus on harmonization initiatives relating to reducing barriers to work, rehabilitation and labour market re-entry supports, and joint reassessment processes.

**Recommendations** - The Council recommends that Premiers endorse continued work toward harmonizing income support for persons with disabilities, and developing a longer-term vision for improved income support and services. The Council also recommends that Premiers note the importance of public involvement, and encourage Social Services Ministers' finalization of the *In Unison* paper.

## **Financial Arrangements**

**Premiers' Direction** - At the 1997 Annual Premiers' Conference, Premiers requested that P/T Finance Ministers recommend a plan to address P/T priorities in financial arrangements, including the Equalization program.

**Progress** - In response to the Premiers' request, Finance Ministers have prepared papers on financial arrangements which were forwarded to Premiers, and then shared with the Prime Minister and federal Minister of Finance. The papers, entitled *Redesigning Fiscal Federalism*, Parts 1 and 2, deal with options for the CHST and the Equalization program, respectively.

P/T Finance Ministers have developed a set of proposals for the reform of fiscal arrangements which have been endorsed by all provinces and territories except Newfoundland and Nova Scotia, which held that elements of the reform package would not address their needs and concerns, and Quebec, which has not participated in this process.

On June 15, 1998, P/T Finance Ministers met with the federal Finance Minister and discussed the P/T proposal for reform of fiscal arrangements. P/T Ministers clearly expressed the position that federal funding should be restored through existing transfer programs in support of current health care, education and social programs, before any new programs are introduced. It is anticipated that F/P/T Finance Ministers will continue their discussions on restructuring fiscal arrangements and will meet again in Fall 1998.

**Recommendations** - The Council recommends that Premiers encourage P/T Finance Ministers to continue constructive efforts toward reform of fiscal arrangements. The Council also recommends that Premiers reiterate their call that the federal government restore funding through existing fiscal arrangements, including the CHST and the Equalization program, in support of current health care, education, and social programs, before any new federal programs are introduced.

The Council also recommends that Premiers call for the Prime Minister to commit the federal Finance Minister to work with P/T Finance Ministers to resolve fiscal arrangement issues.

## **Labour Market Matters**

**Premiers' Direction** - At the 1997 Annual Premiers' Conference, Premiers reviewed proposals developed by P/T Labour Market Ministers for the development of a comprehensive youth employment strategy, and directed Ministers to develop this strategy by January 1998.

All Premiers (except Quebec's), also agreed that appropriate federal government youth employment programs should be available for devolution to, or co-management or co-location with, interested provinces and territories. Premiers emphasized that the federal government must also meet its responsibilities for Aboriginal youth.

Given the large and growing surplus in the EI account, Premiers called on the federal government to reduce employment insurance premiums paid by employers and employees, agreeing that this reduction in premiums should not lead to a reduction in benefits. Premiers also discussed the difficulties faced by seasonal workers and directed that Labour Market Ministers review the adequacy of Employment Insurance benefits for low income seasonal workers.

**Progress** - In December 1997, Provincial/Territorial Labour Market Ministers (except Quebec) released, *A Provincial/Territorial National Youth Employment Strategy*. At their December 1997 meeting, First Ministers committed to a youth employment action plan, and directed Labour Market Ministers to put into motion a four-point Agenda for Action, and report progress by June 1998.

In March 1998, Federal/Provincial/Territorial Labour Market Ministers (except Quebec) endorsed the document, *A New Federal/Provincial/Territorial Partnership on Youth Employment*. The partnership facilitates action in support of the common vision and goals governments share with respect to youth employment. In June 1998, Federal/Provincial/Territorial Labour Market Ministers (except Quebec) forwarded a youth employment status report to the Prime Minister and the Chair of the 1998 Annual Premiers' Conference. The report: (1) proposed a number of multilateral actions on youth employment; (2) provided for annual status reports on youth employment in February of each year, starting in 1999; and, (3) noted that discussions on bilateral arrangements on youth employment programming have begun, focusing on joint planning and priority-setting.

Nine provinces and two territories have signed Labour Market Development Agreements with the federal government. These Agreements are designed to provide provinces and territories with flexibility in strengthening provincial and territorial labour markets, and reducing duplication. Provinces and territories have identified a number of significant, outstanding issues in these Labour Market Development Agreements, which were shared with the federal government at the March 1998 F/P/T Forum of Labour Market Ministers meeting. Provinces and territories are working together to identify approaches to resolve these issues.

Provincial/Territorial Finance Ministers have developed and approved a paper for the Premiers' review which recommends specific EI premium reductions and concludes that these may be achieved without affecting existing EI benefits.

**Recommendations** - The Council recommends that Premiers ask Provincial/Territorial Labour Market Ministers to undertake further with the federal government, to develop multilateral actions on youth employment and design an implementation plan. The Council also recommends that Premiers ask Provincial/Territorial Labour Market Ministers to continue their work in identifying issues under Labour Market Development Agreements where multilateral action may be necessary, and to report progress for the 1999 Annual Premiers' Conference.

### **Federal Off-Loading of Costs of Services for Aboriginal Peoples**

**Premiers' Direction** - At the 1997 Annual Premiers' Conference, Premiers directed Aboriginal Affairs Ministers to begin discussions with their federal counterpart and national Aboriginal leaders on a "comprehensive approach to ensure the federal government meets its constitutional and fiduciary obligations to Aboriginal peoples".

**Progress** - On May 20, 1998, P/T Aboriginal Affairs Ministers met with federal Ministers responsible for Aboriginal matters and the leaders of the five national Aboriginal organizations. All parties agreed that effective solutions require a comprehensive, cross-sectoral and coordinated approach.

Provincial/Territorial Ministers of Aboriginal Affairs have proposed to continue work toward a "comprehensive approach which proposes a process of cooperation between the federal government, provinces and territories and Aboriginal peoples in developing a cross-sectoral action plan to identify strategic ways of improving the social, economic and environmental conditions for Aboriginal peoples".

**Recommendations** - The Council recommends that Premiers reiterate their interest in the development of a comprehensive approach to "ensure the federal government meets its constitutional and fiduciary obligations to Aboriginal peoples"; and that Premiers direct P/T Ministers of Aboriginal Affairs, in consultation with Aboriginal leaders, to develop a consensus on this approach, in advance of the next meeting with the federal Minister.

The Council also recommends that Premiers ask P/T Ministers responsible for Aboriginal Affairs to: develop recommendations on the nature, structure, and priorities of an ongoing process for consultation among themselves, and with Aboriginal Leaders and the federal government; and work with national Aboriginal organizations and Labour Market Ministers in the development of a National Aboriginal Youth Strategy.

### **Education Matters**

**Premiers' Direction** - At the 1997 Annual Premiers' Conference, Premiers emphasized the importance of access to post-secondary education for all students, expressing concern with the financial support available for students, and dramatically rising costs. Premiers called on the federal government to: (1) work with provinces and territories to

expedite the current review of the Canada Student Loans Program loan limits, and implement improvements recommended by the review beginning in January 1998; (2) implement grants for students with dependants; and (3) pay its proportional share of debt reduction or management programs, in a manner that is consistent and supportive of the preferred programs of each jurisdiction.

**Progress** - At their December 1997 meeting, First Ministers agreed on the importance of lessening students' financial burden. They agreed that the federal Ministers of Finance and Human Resources Development Canada (HRDC) would accelerate work, in concert with provincial and territorial Education Ministers, so that the Minister of Finance could take account of this work in the 1998-99 Federal Budget.

In February 1998, the P/T Chair of the Council of Ministers of Education, Canada (CMEC), wrote to the HRDC Minister, outlining the Provincial/Territorial consensus on student financial assistance/debt management issues. P/T Ministers welcomed the federal government's interest in and commitment to improving the student debt situation; supported initiatives aimed at harmonizing federal and provincial student financial assistance programs; and expressed their concerns with specific initiatives being considered by the federal government for its 1998 Budget, including: Canada Millennium Scholarships, Special Opportunities Grants, and the income-based debt reduction measure.

Following from the 1998 Federal Budget announcement of measures affecting student financial assistance and debt management, bilateral discussions are underway between the federal government and those provinces and territories which participate in the Canada Student Loans Program. The objective of these discussions is to better coordinate federal and provincial student financial assistance programs, which may lead to a single, harmonized loan product in each jurisdiction. Further work will be required before harmonization can be accomplished between the federal government and each province/territory.

In March 1998, the CMEC made available a discussion document intended to clarify pan-Canadian expectations for postsecondary education/adult learning, focusing on the themes of quality, accountability, accessibility, mobility, relevance and responsiveness, and research and scholarship. The outcome of any public consultations will be reported to Education Ministers in February 1999.

**Recommendations** - The Council recommends that Premiers express their serious concern with the federal government's unilateral introduction of the Millennium Scholarship Fund, and call on the federal government to work with provinces and territories to address common provincial/territorial concerns with the Fund, and to integrate these scholarships within the overall framework of student financial assistance programs.

The Council also recommends that Premiers ask the Council of Ministers of Education to examine the potential for common approaches to the federal government regarding harmonization of F/P/T student financial assistance/debt reduction measures, and to report progress for the 1999 Annual Premiers' Conference.

### **Status of Women**

**Premiers' Direction** - Premiers endorsed initiatives to encourage the assessment of social policy renewal initiatives from a gender equity perspective.

**Progress** - The Council forwarded the document *Social Policy Renewal: A Vision for Gender Equity*, to all Council working groups and to all Sector Councils, asking them to use it as an "overlay" in their decision-making. Status of Women Ministers also sent letters to all Sector Councils offering assistance in identifying differential impacts on women and facilitating the analysis of those impacts.

Status of Women Ministers released *Economic Gender Equality Indicators* at the Annual Meeting of F/P/T Ministers in October 1997. This document is intended to provide a useful instrument to inform gender analysis. Status of Women Ministers are also working with their F/P/T Finance colleagues to facilitate gender analysis related to the Canada Pension Plan.

**Recommendations** - The Council recommends that Premiers reiterate their commitment to gender inclusive analysis in social policy renewal, and encourage the Sector Councils to integrate this approach into their work.

### **Housing**

**Premiers' Direction** - At the 1997 Annual Premiers' Conference, the P/T Council Report endorsed by Premiers acknowledged that long-term federal funding for social housing remains an outstanding issue.

**Progress** - In 1996, the federal government committed to phase out its role and clarify jurisdiction in social housing. The federal government offered provinces the option of taking over management of the existing federal social housing in their jurisdictions, prior to the federal withdrawal.

Subsequently, the federal government initiated bilateral discussions with several provinces and has concluded agreements with Saskatchewan, New Brunswick, Newfoundland and Labrador, Nova Scotia, and the Northwest Territories. The transfer of housing program administration in these provinces is well underway and discussions with other provinces are in progress. Through these bilateral agreements, provinces may have additional flexibility in managing social housing resources in their jurisdictions, with the trade-off that federal funding is capped.

As current federal-provincial project operating agreements end, federal funding will decline. Long-term federal funding for social housing remains an outstanding issue, due to the aging housing stock and the continuing housing needs of the elderly and persons with disabilities.

***Recommendation*** - The Council recommends that Premiers ask P/T Ministers Responsible for Social Housing to discuss options to address the issue of long-term funding.