

Report No.4

Provincial/Territorial Council on Social Policy Renewal

**Progress Report
to
Premiers**

August 1999

Membership of the Provincial/Territorial Council on Social Policy Renewal

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Alberta	Honourable Shirley McClellan Minister of International and Intergovernmental Relations
British Columbia	Honourable Andrew Petter Minister of Intergovernmental Relations
Manitoba	Honourable Bonnie Mitchelson Minister of Family Services
New Brunswick	Honourable Elvy Robichaud Minister of Education
Newfoundland	Honourable Joan Marie Aylward Minister of Health and Community Services
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Nova Scotia	Honourable Francene J. Cosman Minister of Community Services
Nunavut	Honourable Ed Picco Minister of Health and Social Services
Ontario	Honourable Norman W. Sterling Minister of Intergovernmental Affairs
Prince Edward Island	Honourable Mildred A. Dover Minister of Health and Social Services
Yukon	Honourable David Sloan Minister of Health and Social Services

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Summary

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REPORT TO PREMIERS, NO. 4

PREMIERS' DIRECTION	PROGRESS/STATUS	RECOMMENDATION/NEXT STEPS
<p><u>SOCIAL UNION FRAMEWORK</u> At the 1998 Annual Premiers' Conference, Premiers directed the Council to work with its federal colleagues to complete a draft Framework Agreement.</p>	<p>Ministers responsible for negotiating a Framework Agreement for the Social Union held P/T and F/P/T negotiating meetings in September and October 1998 and twice in January of 1999. The Prime Minister called a First Ministers Meeting on the Framework Agreement for February 4, 1999, at which time First Ministers, with the exception of the Premier of Quebec, signed the Social Union Framework Agreement. The Council will be communicating within their jurisdictions, and through the F/P/T Council Co-chairs on the implementation of the agreement.</p>	<p>That the Council complete its implementation plans, including its work on providing direction on reporting required under the Agreement.</p>
<p><u>NATIONAL CHILDREN'S AGENDA</u> Premiers reaffirmed their commitment to "fast track" the NCA, and encouraged the Council to complete the discussion document and develop options to engage the public in developing a shared vision for enhancing the well-being of Canada's children. Premiers affirmed the importance of determining best practices, and monitoring results.</p>	<p>On May 7, 1999, the F/P/T Council on Social Policy launched a public dialogue on the NCA and released two discussion papers: <i>Developing A Shared Vision</i>, and <i>Measuring Child Well-being and Monitoring Progress</i>. Five "roundtable" meetings and focus groups have been held and a separate process, managed by the five national Aboriginal organizations, is planned. Discussions on measuring and monitoring progress will occur in September. Outcomes from the dialogue process and recommendations on next steps will be provided to the F/P/T Council this fall.</p>	<p>That Premiers reaffirm their commitment to the National Children's Agenda and endorse the commitment in the consultation document to incorporate the views of Canadians into a vision and to report back, so that the vision can guide efforts to improve the lives of Canada's children.</p>
<p><u>NATIONAL CHILD BENEFIT</u> Premiers acknowledged the positive, co-operative work of governments regarding the National Child Benefit, and continued to call for a full investment in the NCB by the year 2000, with no unilateral federal changes to the program. Premiers reaffirmed their collective commitment to fully reinvest provincial savings to programs in support of low-income families with children. Premiers supported the Social Services Ministers' approach to governance and accountability.</p>	<p>The first phase of the National Child Benefit was implemented in July 1998, and benefit levels were increased in July 1999. The total federal funding commitment is \$1.7B annually. Provinces, Territories and First Nations have invested an estimated \$305M under the NCB in programs and services to the end of 1998/99.</p> <p>On May 14, 1999, Ministers of Social Services released the <i>National Child Benefit Progress Report: 1999</i>. Progress has been made toward reducing overlap and duplication by harmonizing program objectives and benefits, and simplifying program administration. Officials are exploring future steps in the development of the NCB initiative, and will prepare a report for the Ministers' meeting in October.</p>	<p>That Premiers reiterate their commitment to full implementation of the NCB, at an annual benefit level that is sufficient to remove children from the social assistance system (estimated at about \$2500 per child), and call on the federal government to make the necessary funding commitment in its year 2000 Budget.</p>

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. Furthermore, Quebec did not sign the Social Union Framework Agreement. Consequently, any reference to joint federal/provincial/territorial positions or provincial/territorial positions in this document do not include the Government of Quebec.

PREMIERS' DIRECTION	PROGRESS/STATUS	RECOMMENDATION/NEXT STEPS
<p>HEALTH</p> <p>Premiers called on the federal government to 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. Premiers supported continued work by Health Ministers on: delineating roles and responsibilities; physician services; pharmaceutical issues; and joint strategic directions and priority setting.</p>	<p>At their September 1998 meeting, F/P/T Ministers of Health agreed on: establishing future directions and priorities; establishing the Canadian Blood Services agency; the status report on the National Children's Agenda; and recommendations of the Working Groups on Pharmaceutical Issues, Physicians Services, Scope of the Health System, and Roles and Responsibilities. Future directions include: maintaining a financially sustainable, publicly funded Canadian health care system; supporting high quality integrated acute, continuing and community-based health services; implementing population approaches to improve the health of Canadians; promoting the development and effective use of information, research technology, and planning and reporting systems; and collaborating in areas such as health human resource planning, best services practices, research, evaluation, primary care reform, and public health policy. Priorities include: health human resources, home care/continuing care, pharmaceutical issues, Aboriginal health, children, public health protection, and infrastructure.</p> <p>The Annual Conference of Health Ministers is scheduled for September 15-17, 1999, in Prince Edward Island.</p>	<p>That Premiers endorse the work of P/T Health Ministers, and call on the federal Health Minister to work with P/T Health Ministers on key priorities, including full CHST restoration and clarification of roles and responsibilities.</p>
<p>BENEFITS AND SERVICES FOR PERSONS WITH DISABILITIES</p> <p>Premiers encouraged Social Services Ministers to complete plans to work with other government sectors, disabilities organizations and other segments of the public, in developing a national consensus on disabilities issues. Premiers also supported plans for the public release of the discussion paper, <i>In Unison: A Canadian Approach to Disability Issues – A Vision Paper</i>.</p>	<p>In October 1998, Social Services Ministers released the <i>In Unison</i> paper, which outlines a shared vision and policy framework to guide future reform in the area of disabilities.</p> <p>Work continues on the development of an accountability framework, including a consultation process with stakeholders, tentatively scheduled for early fall, 1999. Work is also continuing on the use of "disability lenses" to assess programs and services, and on a "disability links" website to house information on all government programs for persons with disabilities.</p> <p>The federal government, without consultation, released a strategy document in July. The implications of the federal document are being assessed.</p>	<p>That Premiers endorse the work of Social Services Ministers on disabilities issues and in advancing the objectives outlined in the <i>In Unison</i> paper, and call on the federal government to work more cooperatively with provinces and territories, and refrain from making unilateral announcements that impact on areas of P/T jurisdiction.</p>

PREMIERS' DIRECTION	PROGRESS/STATUS	RECOMMENDATION/NEXT STEPS
<p><u>LABOUR MARKET MATTERS</u></p> <p>Premiers called on the federal government to: 1) reduce EI premiums to previous levels; 2) eliminate premiums for youth; 3) provide additional benefits for seasonal workers; 4) work with provinces and territories on a seasonal workers strategy, measures for older workers, and northern relocation assistance; and 5) provide full-cost recovery for training EI recipients. Premiers stressed the need for committed urgent action on youth employment, and asked Ministers to continue their work on youth employment and LMDAs, and to report progress for the 1999 APC.</p> <p>Through SUFA, First Ministers (except Quebec) committed to ensure full compliance with AIT labour mobility obligations by July 1, 2001.</p>	<p>F/P/T Labour Market Ministers released the "First Annual Profile of Youth in the Labour Market" in July 1999, and have begun to implement three multilateral initiatives on youth employment.</p> <p>F/P/T Ministers are reviewing the funding formula for EI Part II allocations.</p> <p>P/T officials have developed a paper, "The Adequacy of Benefits for Low Income Seasonal Workers" for review by Ministers, although federal officials have declined to work on this initiative.</p> <p>In July 1999, F/P/T Ministers released, "Skills Adjustment: A Discussion Paper", to examine skills shortages in Canada, and possible policy responses.</p> <p>Provinces/territories, and the federal government, are working with regulated occupations toward implementation of the labour mobility provisions under the AIT.</p>	<p>That Premiers task their Ministers to:</p> <p>(1) Continue working with Ottawa in implementing the Youth Employment Strategy, and continue to report progress to Premiers; (2) Expedite their work on EI policy options, including a Seasonal Workers Strategy, that would assist and increase benefits to seasonal workers, for discussion with the federal government; (3) Continue to work with the federal government to explore policy options to facilitate skills development and adjustment; (4) Continue to review with the federal government options for developing a new P/T allocation formula for EI Part II; (5) Continue to work with the federal government, other P/T ministries, and regulated occupations to ensure that full compliance with the labour mobility obligations of the Agreement on Internal Trade is achieved by July 2001.</p>
<p><u>EDUCATION</u></p> <p>Premiers expressed serious concern with the unilateral introduction of the Millennium Scholarship Fund, and called on the federal government to work with provinces and territories to address common provincial/territorial concerns with the Fund, and to integrate these scholarships with student financial assistance programs.</p> <p>Premiers asked the Council of Ministers of Education to examine the potential for common approaches to the federal government regarding harmonization of student financial assistance/debt reduction measures, and to report progress for the 1999 Annual Premiers' Conference.</p>	<p>CMEC released the <i>Report on Public Expectations of Post-secondary Education in Canada</i> in February 1999. The Report: states the desired outcomes of post-secondary education; supplies a framework for accountability; and provides a basis for pan-Canadian discussion and action. Restoration of CHST transfers to 1994-95 levels is a priority if the objectives outlined in the CMEC Expectations Report are to be achieved.</p> <p>A number of jurisdictions have signed Canada Millennium Scholarship agreements and accommodated the scholarships into their provincial student financial assistance programs. Bilateral discussions are continuing to harmonize federal and P/T student assistance programs. CMEC will review the Joint Declaration of Ministers in Education and Post-Secondary Education. Other priorities include: Aboriginal educational issues; K-12 pan-Canadian curriculum efforts; publishing indicators for the Canadian education systems; collaboration on copyright issues; the pan-Canadian Research Agenda; and exploring closer links to the work of the Labour Market Ministers.</p>	<p>That Premiers endorse: continued P/T pursuit of full CHST restoration; harmonization of student assistance programs; and the <i>Report on Public Expectations of Post-secondary Education</i> and ongoing work in advancing this work.</p> <p>It is also recommended that Premiers encourage CMEC collaboration with the P/T Council on Social Policy Renewal and endorse their Education Ministers' review of the Joint Declaration of Ministers in Education and Post-Secondary Education.</p>

PREMIERS' DIRECTION	PROGRESS/STATUS	RECOMMENDATION/NEXT STEPS
<p><u>ABORIGINAL AFFAIRS</u></p> <p>Premiers reiterated their interest in the development of a comprehensive approach to ensure the federal government meets its constitutional and fiduciary obligations to Aboriginal peoples; and directed 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>Premiers asked that Ministers responsible for Aboriginal Affairs: 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, the federal government and Labour Market Ministers in the development of a National Aboriginal Youth Strategy.</p>	<p>Aboriginal Affairs Ministers and Aboriginal Leaders are developing recommendations on the nature, structure and priorities of an ongoing process, and are expediting work on a National Aboriginal Youth Strategy. One of the components of the strategy will involve linkages to other processes such as the Forum of Labour Market Ministers and the development of a Youth Employment Strategy.</p> <p>At the meeting of Premiers and National Aboriginal Leaders on March 22, 1999, Premiers (except Quebec) and Aboriginal Leaders agreed that the national Aboriginal organizations would be engaged in the implementation of the Social Union Framework Agreement wherever such implementation has implications for Aboriginal people, conditional upon federal agreement.</p> <p>A meeting of Ministers responsible for Aboriginal Affairs and Leaders of the national Aboriginal organizations is anticipated in late fall, to review the proposed National Aboriginal Youth Strategy developed by the F/P/T/A Working Group. In addition, commitment exists to convene a meeting of the F/P/T Council for Social Policy Renewal, Ministers of Aboriginal Affairs and national Aboriginal Leaders to begin the work of involving national Aboriginal organizations in the implementation of the Social Union Framework Agreement.</p>	<p>That Premiers: 1) acknowledge the efforts of Aboriginal Affairs Ministers toward the development of an ongoing process for consultations with Aboriginal Leaders and the federal government; 2) acknowledge the work of Aboriginal Affairs Ministers in collaborating on the National Aboriginal Youth Strategy, and request that Aboriginal Affairs Ministers and Labour Market Ministers ensure that the Aboriginal Youth Strategy is coordinated with the Youth Employment Strategy; 3) urge Aboriginal Affairs Ministers and Council Ministers to move ahead with planning for a joint meeting with national Aboriginal Leaders, which would include the federal government; and 4) call on the federal government to honour its fiduciary and constitutional responsibilities for Aboriginal peoples, particularly with respect to ensuring comparable levels of social programs for Aboriginal Canadians, ensure Aboriginal Canadians are able to participate fully in Canada's social and economic life, and address barriers to the mobility of Aboriginal Canadians.</p>
<p><u>STATUS OF WOMEN</u></p> <p>Premiers reiterated their commitment to gender inclusive analysis in social policy renewal, and encouraged the Sector Councils to integrate this approach into their work.</p>	<p>The F/P/T Status of Women Ministers are refining the application of <i>Economic Gender Equity Indicators</i> to specific policy questions. Ministers are working with population health officials on the need to integrate gender considerations in population health measurement, and with Ministers Responsible for Seniors on the need for research on the implementation of social and economic policies on the long term health and well being of women.</p>	<p>That Premiers reiterate the importance of assessing the impacts of policy reform for women; and that Premiers encourage Sector Councils to continue undertaking gender based analysis, using available analysis tools and Status of Women resources, and report on their findings.</p>

PREMIERS' DIRECTION	PROGRESS/STATUS	RECOMMENDATION/NEXT STEPS
<p><u>HOUSING</u> Premiers asked that Ministers Responsible for Social Housing discuss options to address the issue of long-term funding.</p>	<p>Agreements with the federal government for provinces and territories to take over management of existing federal social housing have been concluded by Saskatchewan, New Brunswick, Newfoundland and Labrador, Nova Scotia, Northwest Territories, Manitoba, Yukon and Nunavut. NWT will be signing a revised agreement in the near future.</p> <p>On July 28, 1999 Ministers agreed to create a Provincial/Territorial Housing Ministers forum to highlight the importance of, and to share information on cross-jurisdictional housing issues. There has been no inter-jurisdictional forum for housing issues since 1994, although the annual meetings of the Ministers Responsible for Local Government have included housing issues. It is hoped that, as Ministers work to develop strategies on housing issues through the forum, there will be an opportunity to involve the federal government in finding solutions to address concerns such as homelessness, affordable housing, and housing in rural and remote areas.</p>	<p>That Premiers continue to support the ongoing work of Housing Ministers.</p>
<p><u>FINANCE AND FISCAL ISSUES</u> Premiers encouraged Finance Ministers to continue constructive efforts toward reform of fiscal arrangements. Premiers reiterated their call for the federal government to 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>Premiers called for the Prime Minister to commit the federal Finance Minister to work with P/T Finance Ministers to resolve fiscal arrangement issues.</p>	<p>In the fall of 1998, P/T Finance Ministers developed a paper, <i>Federal Re-Investment in Canada's Health Care System</i> that called on the federal government to join in the P/T consensus that: 1) health care is the number one priority; 2) the federal government should immediately re-invest in Canada's health care system through the CHST; 3) other federal fiscal policies not undo any federal re-investment in Canada's health care system; 4) adequate funding for health care requires a satisfactory escalator for CHST cash; and 5) a mechanism for CHST review should be established.</p> <p>The federal government has committed to a partial restoration of the CHST through an \$11.5B funding increase over the next five years, for provinces to use for health care. Allocation of the CHST will be based on an equal per capita total entitlement by 2001/2002. P/T Finance Ministers expect to continue their discussions with the federal Minister concerning further steps toward constructing a more adequate transfer system.</p>	<p>That Premiers support the continuing efforts of P/T Finance Ministers to work with the Federal Finance Minister to reform fiscal transfer arrangements.</p> <p>That Premiers ask Finance Ministers to work with the P/T Council on Social Policy Renewal in the development of a strategy on redesign of financial arrangements to ensure P/T governments have adequate resources to carry out their responsibilities, especially in the funding of social programs.</p>

PROVINCIAL/TERRITORIAL COUNCIL ON SOCIAL POLICY RENEWAL PROGRESS REPORT TO PREMIERS No. 4 - AUGUST 1999

INTRODUCTION

Following from the decisions and directives of the 1995 Annual Premiers' Conference, provincial and territorial governments have provided sustained leadership and co-ordination to the social policy renewal process. Provincial leadership of the social policy renewal initiative was facilitated through the Ministerial Council on Social Policy Reform and Renewal in 1995, and has continued, from 1996, through its successor, the Provincial/Territorial Council on Social Policy Renewal. Provinces and Territories have developed the principles and framework for the social policy renewal agenda, identified objectives and priorities, co-ordinated the involvement of provincial/territorial sector councils, and ensured appropriate reporting and communication with Premiers.

Both the Provincial/Territorial Council, chaired by the Honourable Bernhard H. Wiens, and the Federal/Provincial/Territorial Council, co-chaired by Minister Wiens and the Honourable Pierre Pettigrew, have met a number of times over the last year. During this time, the work of the Council was largely focused on the negotiation of the Framework Agreement on Canada's Social Union, and advancing development of the National Children's Agenda. Progress on both of these initiatives is detailed below.

Over the next year, social policy renewal will focus on those initiatives that are currently underway and have been previously identified as priorities by Premiers. These initiatives include:

- Implementation of the Social Union Framework Agreement;
- Continued redesign of fiscal arrangements to ensure provincial/territorial governments have adequate resources to carry out their responsibilities, especially the funding of social programs;
- Full implementation of the National Child Benefit;
- Consultations on a National Children's Agenda;
- Further work on issues related to persons with disabilities;
- Further development of joint initiatives to improve the health system;
- Harmonization of student loan programs and coordinated initiatives to address the student debt issue;
- Consultation on, and coordination of youth employment and employability initiatives;
- Consultation with national and provincial Aboriginal organizations regarding social policy priorities and approaches.

This Progress Report reviews and evaluates the social policy renewal initiatives currently being implemented, and proposes approaches and recommendations for further social policy development.

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. Furthermore, Quebec did not sign the Social Union Framework Agreement. Consequently, any reference to joint federal/provincial/territorial positions or provincial/territorial positions in this document do not include the Government of Quebec.

SOCIAL UNION FRAMEWORK

Premiers' Direction - At the 1998 Annual Premiers' Conference, Premiers directed the Council to work with its federal colleagues to complete a draft Framework Agreement.

Progress - Ministers responsible for negotiating a Framework Agreement for the Social Union held provincial/territorial and federal/provincial/territorial negotiating meetings in September and October 1998 and twice in January 1999. Subsequently, the Prime Minister called a First Ministers' Meeting for February 4, 1999 on the Framework Agreement. At their meeting, First Ministers, with the exception of the Premier of Quebec, signed the Agreement entitled *A Framework to Improve the Social Union for Canadians*.

The Agreement includes:

- Social policy principles expressing the values of Canadians;
- Measures to ensure social programs support the mobility of Canadians;
- Commitments to strengthen the transparency and accountability of each government to its constituents;
- Commitments to improved partnerships between governments through joint planning and collaboration, and reciprocal notice and consultation measures;
- A collaborative approach for the exercise of the federal spending power;
- A process for avoiding and resolving disputes between governments;
- Provision for a comprehensive review of the Agreement and its implementation and making appropriate adjustments, by the end of the third year.

On March 22, 1999, Premiers met with leaders of five national Aboriginal organizations and discussed the Social Union Framework Agreement. Premiers and National Aboriginal Leaders agreed to develop a roadmap for the three year review called for in the Framework Agreement that should be inclusive, start early, and include consideration of proposals by Aboriginal organizations to strengthen their involvement in the Social Union process. These agreements are conditional upon federal government agreement. It was also agreed that a meeting of the Federal/Provincial/Territorial Council for Social Policy Renewal, supplemented by Ministers of Aboriginal Affairs and National Aboriginal Leaders, be convened to start this work.

Next Steps – Council Ministers will be communicating within their jurisdictions, and through the F/P/T Co-Chairs on the implementation of the Agreement. The Council will also provide direction on reporting required under the Agreement on residency-based policies and practices, intergovernmental disputes and their resolution, and progress on commitments under the Agreement.

Recommendations - The Council recommends that it complete its implementation plans, including its work on providing direction on reporting required under the Agreement.

NATIONAL CHILDREN'S AGENDA

Premiers' Direction - Premiers reaffirmed their commitment to "fast track" the NCA, and encouraged the Council to advance the NCA by completing the discussion document and developing options to engage the public in developing a shared vision for enhancing the well-being of Canada's children. Premiers affirmed the importance of determining best practices, and monitoring results.

Progress - Since the 1998 Annual Premiers' Conference significant progress has been made on the National Children's Agenda. In April 1999, the F/P/T Council on Social Policy Renewal approved, in principle, two public discussion papers as well as a proposed strategy for public engagement. The public materials were finalized and the dialogue was launched at the May 7, 1999 meeting of the Council in Saskatoon. The launch included the participation of five national Aboriginal organizations.

Since then, federal/provincial/territorial "roundtable" meetings and focus groups have been held in Vancouver, Edmonton, Toronto, Ottawa and St. John's, to obtain input from stakeholders. In addition, a 1-800 number and a public access website have been established to provide further information and opportunity for public involvement. While the roundtable discussions have included Aboriginal participation, a separate process, managed by the five national Aboriginal organizations, is also planned to provide for further input from Aboriginal Canadians.

Public discussion has been focussed around the two public papers released in May:

- *A National Children's Agenda - Developing A Shared Vision*, which provides a framework (vision, values, goals, responses) and includes an Aboriginal perspective provided by national Aboriginal organizations; and
- *A Supplementary Discussion Paper on Measuring Child Well-being and Monitoring Progress*, which proposes an approach to measuring child well-being and sharing effective practices.

In addition to the full text versions of these two papers, pamphlet versions and a workbook have been distributed.

Next Steps – A separate roundtable on measuring and monitoring progress will occur in September 1999. Outcomes from the public dialogue process and recommendations on next steps will be provided to the F/P/T Council later in the fall.

Recommendations - That Premiers reaffirm their commitment to the NCA and endorse the commitment in the consultation document to incorporate the views of Canadians into a vision and report back, so that the vision can guide efforts to improve the lives of Canada's children.

NATIONAL CHILD BENEFIT

Premiers' Direction - Premiers acknowledged the positive, co-operative work of governments regarding the National Child Benefit, and continued to call for a full investment in the NCB by the year 2000, with no unilateral federal changes to the program. Premiers reaffirmed their collective commitment to fully reinvest provincial savings to programs in support of low-income families with children, and supported the Social Services Ministers' approach to governance and accountability.

Progress - The first phase of the National Child Benefit was successfully launched in July of 1998, and benefit levels were increased in July of 1999.

In addition to the federal investment, provinces, territories and first nations have invested an estimated \$305M under the NCB to the end of 1998/99, in programs and services such as: child care - \$120.2M; child benefits and income supplements - \$95.0M; early childhood and children at risk services - \$13.8M; supplementary health benefits - \$9.6M; and other programs - \$66.6M. These commitments will increase in correspondence with the additional federal investments in 1999 and 2000.

With the additional NCB funding in July 1999 and July 2000, the maximum annual benefits will increase to \$1,975 for the first child and \$1,775 for each additional child. This level of benefits is significantly below the estimated \$2,500 per child annual benefit that has been targeted for full implementation of the NCB initiative.

On May 14, 1999, F/P/T Ministers of Social Services met in Quebec City and released the *National Child Benefit Progress Report: 1999*. This report is the first comprehensive public report issued on the NCB since its implementation in July 1998. The Report reflects progress during the initial period, and includes information on key aspects of the NCB initiative, including information on: program design and operation; provincial/territorial investment commitments for new benefits and services; and potential outcome indicators for future program assessment. The Report shows that 2.5 million Canadian children in low-income families have benefited from income support through the NCB.

Progress has been made toward reducing overlap and duplication by harmonizing program objectives and benefits, and simplifying program administration. Program harmonization measures include moving toward a two-way exchange of information between federal and provincial/territorial administrations. Harmonization of program rules is also being studied.

Next Steps - Ministers responsible for Social Services have reaffirmed their commitment to work on the future development of the NCB. Officials are exploring future steps, and will prepare a report for Ministers' consideration at their annual meeting in October 1999. The next report on the National Child Benefit is scheduled for release in the fall 2000.

Recommendations - The Council recommends that Premiers reiterate their commitment to full implementation of the NCB, at an annual benefit level that is sufficient to remove children from the social assistance system (estimated at about \$2500 per child), and call on the federal government to make the necessary funding commitment in its year 2000 Budget.

HEALTH

Premiers' Direction - Premiers called on the federal government to restore funding through existing fiscal arrangements, including the CHST and Equalization program, in support of current health care, education, and social programs, before any new federal programs are introduced. Premiers supported continued work by Health Ministers on: delineating roles and responsibilities; physician services; pharmaceutical issues; and joint strategic directions and priority-setting.

Progress - At the September 1998 meeting of Federal/Provincial/Territorial Ministers of Health, agreement was reached in four primary areas: establishing future directions and priorities; establishing the Canadian Blood Services agency; accepting the status report on the National Children's Agenda; and endorsing the recommendations of the four Working Groups on Pharmaceutical Issues, Physicians Services, Scope of the Health System and Roles and Responsibilities.

Provincial/Territorial Ministers emphasized the importance of increased federal funding to sustain the health system. The federal Minister supported future investments in health as a priority, with the timing and pace subject to economic circumstances.

The recommendations of the four F/P/T Working Group Reports were endorsed and it was agreed that work should proceed through existing F/P/T structures as recommended in the Reports.

Health Ministers agreed to establish the Canadian Blood Services (CBS) agency with responsibility for a national blood supply system which ensures access to a safe, secure and affordable supply of blood, blood products and their alternatives, effective September 28, 1998. The CBS has taken over the assets of the Canadian Red Cross and is now fully operating and funded through provincial/territorial government contributions. Hema Quebec provides the same services to the province of Quebec.

The federal and provincial/territorial governments have collaborated on a joint solution to the resolution of three class action suits in Quebec, Ontario and British Columbia for victims who acquired Hepatitis "C" through the blood system between January 1, 1986 and July 1, 1990. The 1986-1990 settlement package for Hepatitis "C" victims is now before the courts. It is valued at \$1.1 billion plus interest.

The federal and provincial/territorial health departments are collaborating with the Canadian Institute on Health Information to develop information standards in the Health field. The health departments have also established an Advisory Committee on Health Infostructure to advise in the fields of health information and technology and has established a Working Group to develop a blueprint for Health Infostructure.

The Annual Conference of F/P/T Health Ministers is scheduled for September 15-17, 1999 in Prince Edward Island.

Next Steps - At their September meeting, Health Ministers adopted future directions and key priorities, and emphasized the need for concrete results. Ministers agreed that the appropriate Advisory Committees should organize their work around these directions and priorities, and bring forward recommendations to the Ministers in September 1999. These future directions include:

- Maintaining a financially sustainable, publicly funded Canadian health care system;
- Supporting high quality integrated acute, continuing and community-based health services;
- Implementing population approaches to improve the health of Canadians;
- Promoting the development and effective use of information, research technology, and planning and reporting systems; and
- Collaborating in areas such as health human resource planning, identifying best services practices, research, evaluation, primary care reform and public health policy.

Key priorities include:

- Health Service - health human resources; home care/continuing care; pharmaceutical issues; Aboriginal health; and funding;
- Population Health - children; public health protection; and
- Infrastructure – year 2000 computer problems.

Recommendations - The Council recommends that Premiers endorse the work of P/T Health Ministers, and call on the federal Health Minister to work with P/T Health Ministers on key priorities, including full CHST restoration and clarification of roles and responsibilities.

BENEFITS AND SERVICES FOR PERSONS WITH DISABILITIES

Premiers' Direction - Premiers encouraged Social Services Ministers to complete plans to work with other government sectors, disabilities organizations and other segments of the public, in developing a national consensus on disabilities issues. Premiers also supported plans for the public release of the discussion paper, *In Unison: A Canadian Approach to Disability Issues – A Vision Paper*.

Progress - Federal and Provincial/Territorial governments have collaborated on the development of a shared vision and policy framework to guide future reform in the area of disabilities. This work is reflected in the *In Unison* paper, which was publicly released by Social Services Ministers in October 1998.

The *In Unison* paper articulates a vision that seeks to ensure the full participation of persons with disabilities in all aspects of Canadian society, and recognizes that the achievement of this vision is a shared responsibility. The approach outlined in the paper has been well received by persons with disabilities and disability organizations.

Work continues on the development of an accountability framework, including a consultation process with stakeholders, tentatively scheduled for early fall 1999. In addition, Social Services Ministers have requested that a discussion on the respective roles and responsibilities of the federal and provincial/territorial governments occur in advance of the accountability consultations.

Work is also continuing on the use of "disability lenses" to assess programs and services, and on a "disability links" website to house information on all government programs for persons with disabilities.

Despite a commitment by governments to work collaboratively on issues related to Canadians with disabilities, the federal government, with little notice or consultation, released a disabilities strategy document in July 1999, discussing matters that require provincial/territorial involvement and cooperation. The implications of the federal strategy are currently being assessed.

Next Steps - Consultations on an accountability framework are being planned for the fall, 1999.

Recommendations - The Council recommends that Premiers endorse the work of Social Services Ministers on disabilities issues and in advancing the objectives outlined in the *In Unison* paper, and call on the federal government to work more cooperatively with provinces and territories, and refrain from making unilateral announcements that impact on areas of provincial/territorial jurisdiction.

LABOUR MARKET MATTERS

Premiers' Direction – Premiers called on the federal government to: 1) reduce Employment Insurance premiums to previous levels; 2) eliminate premiums for youth; 3) provide additional benefits for seasonal workers; 4) work with provinces and territories to examine various other EI changes (i.e. a seasonal workers strategy, measures for older workers, and northern relocation assistance); and 5) provide full-cost recovery for training EI recipients. Premiers stressed that ongoing action on youth employment requires urgency and a commitment by all governments, and should address the role of education and training, with an emphasis on partnerships with employers.

Premiers asked Labour Market Ministers to: develop multilateral actions on youth employment and design an implementation plan; continue their work in identifying issues under Labour Market Development Agreements where multilateral action may be necessary; and report progress for the 1999 Annual Premiers' Conference.

Through the Social Union Framework Agreement, First Ministers also committed to ensuring full compliance with the labour mobility obligations of the Agreement on Internal Trade by July 1, 2001.

Progress –

Youth Employment: In July 1999, Federal/Provincial/Territorial Labour Market Ministers released the "*First Annual Profile of Youth in the Labour Market*," which describes the education and employment situation of young Canadians. Three multilateral activities have commenced:

- in partnership with the Conference Board of Canada, "*Employer of Youth*" awards are being presented to employers who provide training and career development opportunities for youth;
- an information guide, "*Starting your Own Business: Information for Young Canadians*," is available on the Internet; and,
- in the area of career exploration and planning, "*3,2,1 Connect Career Services*" is being developed.

In addition, national and province-specific labour market information products are being developed. Some jurisdictions are negotiating bilateral Youth Protocol Agreements with Human Resources Development Canada, to promote cooperation in the area of youth employment programming. To date, Nova Scotia, Prince Edward Island and Manitoba have signed Protocols. However, unilateral announcements on federal youth employment initiatives remain a concern to be addressed.

Labour Market Development Agreements: To date, nine provinces and two territories have signed agreements with the federal government. Ottawa has agreed to allow full claiming of course costs for training, not just published tuition costs, for EI clients. The federal government also agreed to allow provinces and territories to forego a loan component for this program if they so chose. Provinces and Territories which participate in co-management agreements with Ottawa interested in this approach have negotiated contribution agreements with the federal government.

EI Part II Allocation: Federal and Provincial/Territorial Labour Market Ministers are investigating the current funding formula for EI allocation under Part II (“Active Employment Measures”) of the *Employment Insurance Act*. Provinces and Territories have developed a set of principles to guide the allocation of funds under Part II.

Seasonal Workers: A draft policy document, “*The Adequacy of Benefits for Low Income Seasonal Workers*,” that examines policy options for EI Part I (“Income Support”) parameter changes and EI Part II adjustment measures has been developed by some provinces for consideration by Labour Market Ministers at their upcoming meeting. Provinces and Territories are now in the process of developing a more general document that looks at the issue of eligibility and benefits for seasonal workers in the areas of both passive and active program measures. While the federal government has announced pilot projects which partially address the needs of seasonal workers, to date, Ottawa has declined to work with provinces and territories on this issue.

Skills Development: Provinces/Territories are examining skills development from the perspective of the needs of unemployed EI clients, other unemployed workers who fall outside the EI program, and the employed workforce. Enhanced skills development would promote an adaptable and responsive labour force, ensure international competitiveness, increase the standard of living, and promote social inclusion. In July 1999, Labour Market Ministers released “*Skills Adjustment: A Discussion Paper*,” which examines the theory and evidence of skills shortages in Canada and identifies policy responses that could be used to facilitate skills development and adjustment.

Labour Mobility: Provinces/Territories, together with the federal government, are working with representatives from provincial/territorial regulated occupations, to ensure that full compliance with the obligations of the Agreement on Internal Trade is achieved by July 2001. These provisions include the requirement for mutual recognition of occupational qualifications and the elimination of minimum residency requirements for access to employment opportunities. This work involves the Ministers of Health, Education, Intergovernmental Affairs, as well as Labour Market Ministers.

Recommendations – The Council recommends that Premiers support the work of their Labour Market Ministers and task the Ministers to:

- Continue working with the federal government in implementing the Youth Employment Strategy, and continue to report progress to Premiers in the area of youth employment.
- Expedite their work on EI policy options, including a seasonal workers strategy, that would assist and increase benefits to seasonal workers, for discussion with the federal government.
- Continue to work with the federal government to explore policy options that could be used to facilitate skills development and adjustment.

- Continue to review and explore with the federal government, options for developing a new provincial/territorial allocation formula for EI Part II programming.
- Continue to work with the federal government, other provincial/territorial ministries, and regulated occupations to ensure that full compliance with the labour mobility obligations of the Agreement on Internal Trade is achieved by July 2001.

EDUCATION

Premiers' Direction - Premiers expressed serious concern with the unilateral introduction of the Millennium Scholarship Fund, and called on the federal government to work with provinces and territories to address common provincial/territorial concerns with the Fund and to integrate these scholarships with student financial assistance programs.

Premiers asked the Council of Ministers of Education, Canada (CMEC) to examine the potential for common approaches to the federal government regarding harmonization of student financial assistance/debt reduction measures, and to report progress for the 1999 Annual Premiers' Conference.

Progress - Bilateral discussions are continuing on the harmonization of federal and provincial/territorial student assistance programs. Ontario and New Brunswick have signed harmonization agreements as of June 30, 1999. All other provinces and territories (with the exception of Quebec) are in negotiations. The target date for most provinces to sign agreements is April 2000. Although the Northwest Territories (NWT) opted out of the Canada Student Loans program, the NWT tries to align its needs-assessed loans processes where appropriate. All provinces vigorously support the "one student, one loan" principle.

CMEC conveyed the serious concerns expressed by Premiers with the federal government's unilateral introduction of the Millennium Scholarships at a special meeting with the federal Ministers of Finance and Human Resource Development. Subsequently, the Canada Millennium Scholarships Foundation has been negotiating agreements on the basis of bilateral discussions with the jurisdictions. To date, a number of jurisdictions that have signed Canada Millennium Scholarship agreements have accommodated the scholarships in a manner that complements existing provincial student financial assistance programs.

A significant accomplishment was the public release of the *Report on Public Expectations of Postsecondary Education in Canada* in February 1999. This report was the result of research and analytical work carried out by jurisdictions across Canada (Quebec and Yukon were observers). By articulating public expectations of post-secondary education, Ministers sought to state the desired outcomes of post-secondary education, to supply a framework for accountability for governments, institutions and other stakeholders, and to provide a basis for pan-Canadian discussion and concerted action.

The report presents specific statements of expectations for the following six overarching areas: quality, accessibility, mobility and portability, relevance and responsiveness, research and scholarship, and accountability.

Restoration of the CHST to 1994-95 levels is a priority if the objectives for post-secondary education outlined in the CMEC Expectations Report are to be achieved. It is the view of CMEC that the report provides a workable framework that should reassure both orders of government that additional resources invested in post-secondary education will be used in ways that best meet the specific needs of each jurisdiction.

CMEC has indicated that the mobility and portability expectation statement issued by CMEC is fully consistent with the Social Union Framework Agreement. CMEC has stated that governments must ensure that there are no barriers to interprovincial mobility that unreasonably inhibit access.

Next Steps – The CMEC will continue to advance provincial/territorial priorities on key post-secondary education issues, particularly the enhancement of post-secondary funding. Full restoration of CHST funding by the federal government is a priority. Ministers of Education have indicated that the *CMEC Report on Public Expectations of Postsecondary Education*, establishes a powerful instrument of accountability for enhanced funding, and provides assurance that the re-financing of post-secondary education will be used to achieve defined objectives.

CMEC will undertake a review of the Joint Declaration of Ministers in Education and Post-Secondary Education, signed in Victoria in 1993. This agreement emphasized the mandate of CMEC as the voice for education in Canada, together with the need for enhanced interprovincial and pan-Canadian collaboration on educational practice and policy.

Other CMEC priorities for work over the next year include: Aboriginal educational issues; K-12 pan-Canadian curriculum efforts; collaboration on copyright issues; publication of key indicators for the Canadian education systems; and further work on the pan-Canadian Research Agenda. CMEC will also be exploring the possibility of closer links to the work of the Forum of Labour Market Ministers.

Recommendations - The Council recommends that Premiers endorse: continued provincial/territorial pursuit of full restoration of the CHST and harmonization of federal and provincial/territorial student financial assistance programs; and the *Report on Public Expectations of Postsecondary Education in Canada* and ongoing work between provinces/territories and the post-secondary sector to collaborate in advancing this work.

The Council also recommends that Premiers encourage CMEC collaboration with the P/T Council on Social Policy Renewal, and endorse the Education Ministers' review of the Joint Declaration of Ministers in Education and Post-Secondary Education, in order to enhance interprovincial and pan-Canadian collaboration on educational practice and policy.

ABORIGINAL AFFAIRS

Premiers' Direction - Premiers reiterated their interest in the development of a comprehensive approach to “ensure the federal government meets its constitutional and fiduciary obligations to Aboriginal peoples”; and directed 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.

Premiers asked that Ministers responsible for Aboriginal Affairs 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, the federal government and Labour Market Ministers in the development of a National Aboriginal Youth Strategy.

Progress - Working in a cooperative and cross-sectoral manner, F/P/T Aboriginal Affairs Ministers and Aboriginal Leaders directed their respective officials to develop recommendations on the nature, structure and priorities of an ongoing process, and to expedite work on a National Aboriginal Youth Strategy in cooperation with the Forum of Labour Market Ministers.

Two working groups of officials, with representation from the national Aboriginal organizations and federal/provincial/territorial governments, have been working to develop recommendations with respect to an ongoing process and comprehensive approach, and a National Aboriginal Youth Strategy. By the end of September, the two working groups will finalize their respective papers for distribution to Ministers and Aboriginal Leaders for their review and consideration at the next F/P/T Aboriginal Affairs Ministers and national Aboriginal Leaders meeting.

In addition to the work being undertaken in the Aboriginal Affairs sector, over the past year there has been significant progress in the development of effective processes of engagement and dialogue between governments and Aboriginal organizations. For example, federal and provincial/territorial governments (except Quebec, which did not endorse these national initiatives) have sought the input of Aboriginal organizations in the development of the National Children's Agenda and the National Child Benefit. This involvement is consistent with the comprehensive approach agreed to by F/P/T Ministers and Aboriginal Leaders at their May 20, 1998 meeting in Quebec City.

At a meeting of Premiers and national Aboriginal Leaders on March 22, 1999, participants (except Quebec which did not sign the Social Union Framework Agreement) agreed to ask the federal government to convene a First Ministers Meeting to discuss issues of mutual concern. However, the Prime Minister remains of the view that these discussions are better suited to other forums. In addition, Premiers and Aboriginal Leaders agreed that the national Aboriginal organizations be engaged in the implementation of the Social Union Framework Agreement wherever such implementation has implications for Aboriginal people, conditional upon federal agreement.

Next Steps - Consistent with the direction of the Communiqué of the Quebec City meeting in May of 1998, a meeting of F/P/T Ministers responsible for Aboriginal Affairs and Leaders of the national Aboriginal organizations is anticipated in late fall, 1999. Ministers and Aboriginal Leaders will review progress on the development of a National Aboriginal Youth Strategy and recommendations respecting the nature, structure and priorities of an ongoing process.

In addition, federal and provincial/territorial commitment exists to convene a meeting of the Federal/Provincial/Territorial Council for Social Policy Renewal, Ministers of Aboriginal Affairs and national Aboriginal Leaders to begin the work of involving national Aboriginal organizations in the implementation of the Social Union Framework Agreement.

Recommendations – The Council recommends that Premiers:

- Acknowledge the efforts of Aboriginal Affairs Ministers toward the development of an ongoing process for consultations with Aboriginal Leaders and the federal government.
- Acknowledge the work of Aboriginal Affairs Ministers in collaborating on a National Aboriginal Youth Strategy; and request that Aboriginal Affairs Ministers and Labour Market Ministers ensure that a National Aboriginal Youth Strategy is coordinated with the National Youth Employment Strategy.
- Urge Aboriginal Affairs Ministers and Council Ministers to move ahead with planning for a joint meeting with national Aboriginal Leaders, which would include the federal government.
- Call on the federal government to honour its fiduciary and constitutional responsibilities for Aboriginal peoples particularly with respect to ensuring comparable levels of social programs for Aboriginal Canadians; ensure Aboriginal Canadians are able to participate fully in Canada's social and economic life; and address barriers to the mobility of Aboriginal Canadians.

STATUS OF WOMEN

Premiers' Direction - Premiers reiterated their commitment to gender inclusive analysis in social policy renewal, and encouraged the Sector Councils to integrate this approach into their work.

Progress - In 1996, Provincial/Territorial Ministers Responsible for the Status of Women tabled *Social Policy Renewal: Vision for Gender Equity*, which was forwarded to all sectoral working groups. It was recommended that all sectors integrate and accommodate gender considerations in their deliberations and recommendations.

In 1997, Premiers endorsed the inclusion of gender equity perspectives in social policy renewal initiatives and encouraged Sector Councils to include and integrate gender analysis in their work.

To assist this direction, Status of Women Ministers have offered to provide local assistance from women's policy offices to the local Sector Chairpersons. There has been limited uptake on this offer and communications from the other Councils in this regard are irregular and sporadic.

The Federal/Provincial/Territorial Ministers Responsible for Status of Women are proceeding to refine the application of *Economic Gender Equity Indicators* to specific policy questions. Population health officials have recognized the need to integrate gender considerations in population health measurement, and Status of Women Ministers have directed their officials to provide support and assistance for this work. Status of Women Ministers have agreed to work collaboratively with Ministers Responsible for Seniors on the need for research on the implementation of social and economic policies on the long term health and well being of women.

Ministers continue to offer assistance where possible in local sectoral work, and look forward to strengthening cross-sectoral partnerships in the advancement of social policy renewal.

Recommendations - The Council recommends that Premiers reiterate the importance of assessing the impacts of policy reform for women; and that Premiers encourage Sector Councils to continue to undertake gender based analysis, using available analysis tools and Status of Women resources, and report on their findings.

HOUSING

Premiers' Direction - Premiers asked that Ministers Responsible for Social Housing discuss options to address the issue of long-term funding.

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 the provinces and territories. Saskatchewan, New Brunswick, Newfoundland and Labrador, Nova Scotia, Northwest Territories, Manitoba, Yukon, and Nunavut have concluded agreements with the federal government. NWT will be signing a revised agreement in the near future. 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 primarily to the aging housing stock and the continuing housing needs of the elderly and persons with disabilities.

A conference of Ministers Responsible for Local Government and Housing was held in late July.

Next Steps - On July 28, 1999 Ministers agreed to create a Provincial/Territorial Housing Ministers forum to highlight the importance of, and to share information on cross-jurisdictional housing issues. There has been no inter-jurisdictional forum for housing issues since 1994, although the annual meetings of the Ministers Responsible for Local Government have included housing issues. It is hoped that, as Ministers work to develop strategies on housing issues through the forum, there will be an opportunity to involve the federal government in finding solutions to address concerns such as homelessness, affordable housing, and housing in rural and remote areas.

Recommendations - The Council recommends that Premiers continue to support the ongoing work of Housing Ministers.

FINANCE AND FISCAL ISSUES

Premiers' Direction - Premiers encouraged Finance Ministers to continue constructive efforts toward reform of fiscal arrangements. Premiers reiterated their call for the federal government to 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. Premiers called for the Prime Minister to commit the federal Finance Minister to work with Provincial/Territorial Finance Ministers to resolve fiscal arrangement issues.

Progress - Provincial/Territorial Finance Ministers have made a significant first step in completing the agenda assigned by Premiers. In the fall of 1998, Finance Ministers developed a paper, *Federal Re-Investment in Canada's Health Care System*, which was unanimously agreed to by all provinces and territories. On October 21, 1998, P/T Finance Ministers presented their paper to the Federal Minister of Finance at a meeting of Finance Ministers. This paper called on the federal government to join in the provincial-territorial consensus on five issues:

- agreement that health care is the number one priority for Canadians, as it is for the provinces and territories and as it should be for the federal government;
- agreement that the federal government should immediately re-invest in Canada's health care system and that this re-investment should be directed through the CHST so that it can become part of the integrated, coordinated health services provided by provinces and territories and avoid the potential for waste, duplication and unnecessary administrative cost;
- agreement that other federal fiscal policies not undo any federal re-investment in Canada's health care system;
- agreement that adequate funding for health care requires a satisfactory escalator for CHST cash that acknowledges rising costs; and,
- agreement that a formal and cooperative mechanism for CHST review should be established to ensure that the health care system is being maintained in the future.

In its 1999 Budget, the federal government announced partial restoration of the CHST through \$11.5 billion in incremental funding over the next five years for provinces to use for health care.

The announcement of a five-year funding commitment could allow the federal government to renew both the CHST and Equalization on the same five-year renewal periods. This presents Provincial/Territorial Finance Ministers with the opportunity to press the federal government for further enhancements in financing Canada's social programs and addressing fiscal disparities across the country.

Next Steps - In a post-budget letter to the Premiers, the Prime Minister indicated that as more funds become available, more funding will be provided to the health care system. Provincial/Territorial Finance Ministers expect to continue their discussions with the Federal Minister of Finance concerning further steps toward constructing a more adequate transfer system.

Recommendations - The Council recommends that Premiers support the continuing efforts of P/T Finance Ministers to work with the Federal Finance Minister to reform fiscal transfer arrangements.

The Council also recommends that Premiers ask Finance Ministers to work with the Provincial/Territorial Council on Social Policy Renewal in the development of a strategy on redesign of fiscal arrangements to ensure Provincial/Territorial governments have adequate resources to carry out their responsibilities, especially in the funding of social programs.