Provincial/Territorial Council on Social Policy Renewal

Progress Report to Premiers No. 6

August 1-3, 2001

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MEMBERS OF THE PROVINCIAL/TERRITORIAL COUNCIL ON SOCIAL POLICY RENEWAL

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Alberta Honourable Halvar Jonson

Minister of International and Intergovernmental Relations

British Columbia Honourable Murray Coell

Minister of Human Resources

New Brunswick Honourable Percy Mockler

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Minister of Health and Social Services

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Minister of Justice and Attorney General Minister of Intergovernmental Affairs

Yukon Honourable Don Roberts

Minister of Health and Social Services

Note: The Honourable Joseph Facal, ministre délégué aux Affaires Intergouvernementales canadiennes, represents the Government of Ouébec as an observer.

INTRODUCTION

At the August 1995 Annual Premiers' Conference in St. John's, Newfoundland, Premiers agreed to make social policy reform and renewal a shared priority and established a Ministerial Council to work on issues of national importance.

In 1996, the federal government joined the ongoing work of the Provincial/Territorial (P/T) Council. Since then, cross-sectoral work on strengthening Canada's social union has been coordinated on two fronts - by the Provincial/Territorial Council on Social Policy Renewal and the Federal/Provincial/Territorial Council on Social Policy Renewal (F/P/T Council). This work led to *A Framework to Improve the Social Union for Canadians* (which has come to be known as the Social Union Framework Agreement, or the SUFA). First Ministers, except for the Premier of Québec¹, signed the SUFA on February 4, 1999.²

The P/T Council provides Premiers with an annual Progress Report on the status of the social policy renewal agenda. This year's Report provides a general commentary on how effective the implementation of the SUFA has been in advancing collaborative arrangements between federal and provincial/territorial governments. It also proposes recommendations regarding the future role of the P/T Council, including a workplan for 2001/02. In addition, this Report recommends priorities for action within the various social policy sectors and includes, as an appendix, a detailed summary of the progress achieved within each sector in follow-up to the direction provided by Premiers at the 2000 Annual Premiers' Conference.

The P/T Council on Social Policy Renewal has been chaired since the fall of 1999 by the Honourable Tim Sale, Manitoba's Minister of Family Services and Housing. Over the past year, the Council has met twice. The F/P/T Council, co-chaired by

¹ While sharing essentially the same concerns, the Government of Québec does not intend to adhere to the F/P/T approach or the P/T approach to social policies. Furthermore, Québec 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 Québec.

² Since the creation of Nunavut on April 1, 1999, the Government of Nunavut has been accepted as a full participant in the work of the P/T and F/P/T Ministerial Councils implementing SUFA, but has yet to sign the Agreement. The Premier of Nunavut wrote to Premiers in December 2000 and to the Prime Minister in May 2001 seeking to sign the SUFA at a mutually acceptable time and venue.

Minister Sale and the Honourable Jane Stewart, Minister of Human Resources Development Canada, has not met; however, the co-chairs had several informal discussions on issues related to social policy renewal activities.

The P/T Council's work in the past year has focused on:

- pursuing and reviewing progress relating to the implementation of the SUFA and anticipating provincial/territorial involvement in the upcoming third year review;
- supporting the P/T social policy sector Ministers where concerns regarding federal actions are evident, including the federal government's announcements on homelessness and affordable housing initiatives;
- working with the federal government and the five national Aboriginal organizations in the implementation of the SUFA where such implementation has implications for Aboriginal people; and
- defining and strengthening the role of the P/T Council in its role of supporting Premiers on matters related to social policy renewal in Canada.

Priority Recommendations of the Provincial/Territorial Council on Social Policy Renewal

The P/T Council recommends that Premiers continue to emphasize that any new Canada-wide social programs must be developed and implemented in a manner consistent with the Social Union Framework Agreement. In this regard, the P/T Council recommends that Premiers call on the federal government to provide its share of the financing for health care and other social programs through existing transfer mechanisms. Time-limited, unsustainable programs that are developed and announced unilaterally by the federal government and are designed to leverage provincial/territorial funding often come at the expense of funding for core services.

The P/T Council recommends that Premiers encourage the federal government to work co-operatively with the P/T Council on all aspects of the implementation of the SUFA. It recommends that Premiers call on the federal government to work with the P/T Council and national Aboriginal leaders to determine a suitable date for a Tripartite meeting as soon as possible.

The P/T Council recommends that Premiers confirm the P/T Council's role in coordinating provincial/territorial

involvement in the third-year review of the Social Union Framework Agreement.

The P/T Council recommends that Premiers continue to urge the federal government to fulfil its commitment to work with provinces/territories to develop a dispute settlement mechanism for disputes related to the *Canada Health Act*.

The P/T Council recommends that Premiers endorse the proposed 2001/2002 Workplan for the P/T Council and direct the Council to report its progress to Premiers on these issues at the 2002 Annual Premiers' Conference.

The P/T Council recommends that Premiers support the following direction to the social policy sectors (details of which are included in the Appendix), with a priority emphasis on:

- Financial Arrangements Finance Ministers should continue to seek to engage the federal government in discussions on achieving a sustainable balance in terms of fiscal arrangements. The federal government must provide its share of the financing for health, post-secondary education, children's and other social programs through existing transfer mechanisms, including the adoption of an appropriate escalator for the Canada Health and Social Transfer and removal of the ceiling on the Equalization Program. In addition, P/T Finance Ministers should develop a plan and undertake the work required to build a common understanding of the effect of federal spending and taxation policies on the sustainability of services delivered by P/T governments, and on the fiscal disparities among provinces and territories.
- <u>Health</u> On a priority basis, Health Ministers should address key priorities for health care renewal innovations, including a health human resources strategy and strategies to assess the cost-effectiveness of pharmaceuticals. Health Ministers should continue their work to implement the commitments outlined in the September 11, 2000 First Ministers' Communiqué on Health.
- <u>Children</u> Social Services and Health Ministers should continue to work on children's initiatives, with particular priority on seeking federal funding for Aboriginal early childhood development initiatives. Ministers should continue their work to implement the commitments outlined in the September 11, 2000 First Ministers' Communiqué on Early Childhood Development.

The P/T Council recommends that Premiers direct Ministers of Social Services and Justice to determine the best means of developing a child protection agenda within their respective sectors, including strategies for advancing this agenda on an intergovernmental basis. This agenda could speak to issues such as Internet stalking, a sex offender's registry, child maintenance orders, and the exploitation of children through the sex trade. The P/T Council on Social Policy Renewal could monitor overall progress toward a child protection agenda.

• Housing - Housing Ministers should ensure that the federal government's proposed housing initiative is flexible, blockfunded and recognizes varying provincial/territorial priorities, while supporting innovative solutions. Any new federal initiative must be sustained over time and not dependent on mandatory cost-sharing agreements. Given the significant and varying housing priorities across the country, Housing Ministers must ensure that any new Canada-wide initiative benefits all regions of the country and urban, rural, remote and northern communities.

The Provincial/Territorial Council recommends that Premiers ask Ministers of Finance and Housing to examine possible measures, such as tax changes and other forms of incentives, that could stimulate development of affordable housing in all parts of Canada.

- Education and Skills Development Labour Market and Education Ministers should ensure that the federal government respects provincial and territorial responsibility when considering new initiatives in the areas of education and skills development. In addition, Labour Market and Education Ministers should continue to collaborate to support actions that improve the ability of individuals to acquire the skills they need to compete in the new economy.
- <u>Disability Issues</u> The P/T Council recommends that
 Premiers reconfirm their commitment to the vision
 contained in *In Unison*. Specifically, Social Services
 Ministers should continue their work currently underway
 on assessing the feasibility of options, including a new
 disability tax benefit, to fund disability supports. Given the
 cross-sectoral nature of disabilities programming, the P/T
 Council on Social Policy Renewal could work with other
 sectors and the federal government, as appropriate. This

work could be used to inform the development of recommendations to Premiers for future actions in this area.



SOCIAL UNION FRAMEWORK AGREEMENT

Premiers' Direction from the 2000 APC

Premiers endorsed the P/T Council's recommendations on social policy priorities and approaches outlined in its Fifth Annual Progress Report to Premiers. Premiers reiterated their call for the full and immediate restoration of the Canada Health and Social Transfer plus the adoption of an appropriate escalator. They also emphasized that any new Canada-wide social programs must respect the commitments of the Social Union Framework Agreement and called on the federal government to consider the P/T paper on dispute avoidance and resolution as a useful mechanism for preventing and resolving intergovernmental disputes. Premiers also indicated their strong support for a second Tripartite meeting of national Aboriginal Leaders, F/P/T Council Ministers and Ministers of Aboriginal Affairs in December 2000.

Progress

Fiscal Issues

- The September 11, 2000 First Ministers' Meeting resulted in a measure of progress toward sustaining social programs in Canada through the Canada Health and Social Transfer (CHST).
 - The First Ministers' Communiqué on Health set out a vision as well as principles to guide governments in the collaborative task of health care renewal. First Ministers agreed that the key goals of the health care system are to preserve, protect and improve the health of Canadians; ensure that Canadians have reasonably timely access to an appropriate, integrated, and effective range of health services anywhere in Canada, based on their needs, not their ability to pay; and ensure the long-term sustainability of health care services. First Ministers agreed to collaborate on priority areas for renewal and innovation and to provide regular reporting to Canadians on the progress of renewal.
 - The First Ministers' Communiqué on Early Childhood Development (ECD) committed governments to improving and expanding early childhood development programs and services and to regularly report on their progress to Canadians.

First Ministers agreed to work together to ensure that young children are healthy, safe and secure, ready to learn, and socially engaged and responsible. They recognized that provinces and territories have the primary responsibility for early childhood development programs and services, and that investments for early childhood development should be incremental, predictable and sustained over the long term.

- The federal government announced that it would provide provinces and territories with \$23.4 billion over five years, in a combination of increased transfer payments and one-time funds to support the commitments on Health and Early Childhood Development.
- The Provincial/Territorial (P/T) Council supports
 Premiers' ongoing calls for an appropriate escalator for the
 CHST and the immediate removal of the ceiling on the
 Equalization Program. Unfortunately since September
 2000, it appears that the federal government prefers to
 provide its financing for social programs through
 "boutique programs," rather than through existing
 transfer mechanisms. These kinds of programs tend to be
 time-limited and unsustainable. They also may leverage
 provincial/territorial funding at the expense of funding for
 core services, thereby conflicting with provincial/territorial
 priorities for social programs such as health care.

SUFA Implementation

- The P/T Council on Social Policy Renewal is committed to an effective SUFA and has continued to seek opportunities to work with the federal government on implementation activities.
- Commitment to enhancing the mobility of Canadians is an important feature of the SUFA and remains an area of focus for provinces and territories in implementing the Agreement. As part of their ongoing efforts to eliminate unreasonable residency-based barriers to mobility associated with certain social programs by 2002, and to ensure that no new barriers are created, jurisdictions provided their first mobility reports to the F/P/T Council in spring 2000, and have either completed or are in the process of developing their second mobility reports.

- Provinces, territories, and the federal government have been working diligently toward completing their work to implement the labour mobility provisions of the Agreement on Internal Trade (AIT). The Forum of Labour Market Ministers will release a separate report in the summer of 2001 charting progress in this area.
- Provinces and territories also are working toward enhancing their governments' accountability to Canadians by maintaining, developing and refining their own methods for monitoring and measuring social programs. This is consistent with a central element of the SUFA, which commits each government to monitor and measure outcomes of its social programs and report regularly to its constituents on the performance of these programs.
- Prior to the First Ministers' Meeting in September 2000, the federal government committed to work with provinces and territories to develop, by March 2001, a dispute settlement mechanism for disputes relating to the *Canada Health Act*. While discussions have recently resumed, little progress has yet been made. It is hoped that a model consistent with the mechanism and principles endorsed unanimously by Premiers in 2000, and acceptable to all parties, will be agreed to in the near future.

Tripartite Work

- A working group of the F/P/T Council has continued to work with national Aboriginal organizations to implement workplans that support the engagement of Aboriginal peoples in social policy renewal activities. In particular, work has proceeded on a statistical profile of Aboriginal social conditions and on an inventory of best practices that describes successful social policy and program partnerships between Aboriginal organizations and federal/provincial/territorial governments.
- The P/T Council has made best efforts to fulfil the commitment to hold a second Tripartite meeting between the F/P/T Council, F/P/T Ministers Responsible for Aboriginal Affairs and the Leaders of the five national Aboriginal organizations by December 2000.
- When it became clear that a December 2000 meeting would not occur, the P/T Council actively pressed for a spring 2001 meeting. The P/T Council has expressed its

disappointment that this meeting has been postponed until the fall 2001.

Third-Year Review

- The P/T Council is prepared to fulfill governments' commitments under the SUFA to jointly undertake a full review of the Agreement, ensure significant opportunities for input and feedback from Canadians, and make appropriate adjustments as required.
- Based on its review of activities in the past year, the P/T
 Council believes that the implementation of the SUFA has
 not been fully effective in meeting a number of key
 commitments and obligations including:
 - putting in place an appropriate process for resolving intergovernmental disputes, particularly for the *Canada Health Act*;
 - ensuring the adequacy and sustainability of federal funding for social programs;
 - promoting intergovernmental cooperation and joint planning, and ending federal unilateralism in areas of provincial/territorial responsibility.

Role of the Council

- To date, the federal and provincial/territorial governments have been unable to reach agreement on an appropriate role for the F/P/T Council on Social Policy Renewal. Although work has continued on a provincial/territorial basis since the signing of the SUFA, the federal government has been unwilling to work jointly with provinces and territories through the F/P/T Council to provide guidance to sectors on the implementation of the SUFA.
- The P/T Council has given significant thought to focusing its attention on greater inter-provincial/territorial work. The P/T Council has been an effective and useful forum for provinces and territories to develop common positions on Canada-wide social policy issues and to share concerns regarding federal actions in various social policy areas. Two of its most significant accomplishments have been its work with the federal government to develop the Social Union Framework Agreement and launch the National Children's Agenda. The P/T Council envisions it will

continue to have a substantive role in the development of social policy renewal in Canada. It has proposed a workplan for the following year:

PROPOSED 2001/02 WORKPLAN FOR THE P/T COUNCIL ON SOCIAL POLICY RENEWAL

- identify and prioritize social policy issues within each provincial/territorial jurisdiction and share this information, including information on emerging social policy issues;
- conduct an environmental scan of the social policy landscape to reveal current and future priorities, strategies and trends, and undertake an analysis of the implications. This could include contact with sector councils to receive their analysis and information;
- prepare an analysis of the progress that has been made on social policy renewal activities set out in the 1995 Report to Premiers and identify those issues that are still outstanding or require further work. The 1995 Report to Premiers articulated a comprehensive platform for social policy renewal in Canada;
- coordinate provincial/territorial involvement in the thirdyear review of the Social Union Framework Agreement;
- seek to establish common provincial/territorial priorities and develop strategies for the advancement of social policy issues. This could include the sharing of best practices, and developing inter-provincial/territorial approaches to addressing common challenges; and
- advise Premiers on specific social policy issues in preparation for the 2002 Annual Premiers' Conference.

Appendix A

Social Policy Sector Progress Reports



FINANCE

Premiers' Direction at the 2000 APC

Premiers instructed their Finance Ministers to advance their previous work and to identify reform proposals which would more durably address the vertical and horizontal fiscal imbalance in Canada, in time for their discussions with the federal Finance Minister before the next federal budget.

Premiers directed Finance Ministers to develop a long-term strategy to ensure that P/T governments will have adequate resources to carry out their responsibilities, especially in the funding of social programs.

Progress

- First Ministers met in September 2000 with an agenda focused on sustaining health care funding for Canadians. At the meeting, the Prime Minister committed to partially restoring funding under the Canada Health and Social Transfer (CHST); providing \$2.2 billion over five years for early childhood development; providing some one-time funds to support primary care and information technology; lifting the ceiling on Equalization payments for the 1999/2000 fiscal year; and letting the established Equalization formula which allows the program to grow up to the rate of growth of GDP apply thereafter. The Federal Minister of Finance was asked to review the Equalization Program in consultation with his provincial colleagues.
- While the Prime Minister's announcements were welcomed as a good first step and provided some short-term relief from the pressures facing provincial and territorial governments, the measures taken do not provide a sustainable solution to the problems of fiscal imbalance and funding of provincial and territorial social programs.
 - The federal CHST package fell short of the increase in funding called for by Premiers by at least one-third, as it did not immediately restore the CHST to its 1994/95 level or provide for an escalator that, at a minimum, would maintain the value of the federal government's

contribution to provincial and territorial social program spending.

- While the CHST is projected to increase moderately over the next few years, its growth will be less than growth of costs in the key programs it supports, such that the federal government's cash support, expressed as a proportion of provincial and territorial social program expenditure, will once again decline from about 14% in 2001/02 to just over 13% in 2005/06.
- Despite the commitment of the Prime Minister to allow the Equalization Program to grow up to the rate of growth in GDP, the ceiling provision of the Program will constrain entitlement growth to only about 0.3%. This is considerably less than the 8.3% growth in GDP.
- Provincial and Territorial Finance Ministers met in Winnipeg in December 2000 and called on the federal Finance Minister to meet with them at the earliest opportunity to seek ways to achieve adequate and sustainable fiscal arrangements over the medium- to long-term. They met again in Montreal on June 13-14, 2001 to continue their work on reform proposals to address the fiscal imbalance in Canada.
- Provincial and Territorial Ministers also released an update of Professor Ruggeri's fiscal imbalance paper which incorporates the CHST and Equalization changes introduced as a result of the September 2000 First Ministers' Meeting, the October 2000 federal mini-Budget, the new federal spending initiatives announced during the federal election, and the effects of more recent economic forecasts. The update shows that after a short pause, the federal surplus will again grow strongly, while provinces and territories will find themselves hard pressed to maintain balanced budgets.
- Despite direct invitations, the federal Minister of Finance has not met with his P/T counterparts on a collective basis over the past year.

Next Steps

In a May 24, 2001 letter from the Federal Finance Minister to the Hon. Greg Selinger, Chair of the Provincial/Territorial Finance Ministers, Minister Martin indicated that he believes it would be useful to meet with Finance Ministers prior to his fall budget update. Provincial and territorial Finance Ministers look forward to this opportunity to meet to discuss the collective economic and fiscal challenges facing provinces and territories across the country.

Recommendations

The P/T Council recommends that Premiers direct P/T Finance Ministers to develop a plan and undertake the work required to build a common understanding of the effect of federal spending and taxation policies on the sustainability of services delivered by P/T governments, and on the fiscal disparities among provinces and territories. The goal of this work should be to lay the groundwork for a common and comprehensive P/T stance on fiscal relations. As well, the P/T Council recommends that Premiers direct Finance Ministers to continue to seek to engage the federal government in discussions on achieving a sustainable balance in terms of fiscal arrangements.

The P/T Council recommends that Premiers continue to call on the federal government to provide its share of the financing for health care and other social programs through existing transfer mechanisms.

HEALTH

Premiers' Direction from 2000 APC

Premiers made the following commitments on health. Their governments will:

- continue to lead in the renewal of health care services by working with other governments, communities, service providers, and citizens;
- support the principles of universality, accessibility, comprehensiveness, portability, and public administration for insured hospital and medical services;
- promote those public services, programs and policies which extend beyond care and treatment and which make a critical contribution to the health and wellness of their citizens;
- further address key priorities for health care renewal and support innovation to meet the unique and emerging needs of their citizens;
- expand the sharing of information on best practices and thereby contribute to continuing improvements in the quality and efficiency of their health care systems;
- report to their citizens on the health status of their populations, their publicly funded health services, and the actions taken to improve these services; and
- continue to seek an adequate and sustainable federal contribution to health and other social programs through the existing Canada Health and Social Transfer (CHST) and the Equalization Program.

Premiers also directed Ministers of Health to identify approaches to improve the education, training, recruitment, retention and work life conditions of the health workforce and report back to them at the 2001 APC.

Premiers mandated their Health Ministers to develop strategies for assessing the cost-effectiveness of prescription drugs, including a common interprovincial/territorial advisory process to assess drugs for potential inclusion in provincial/territorial drug plans.

Premiers directed Health Ministers to collaborate on a transparent provincial/territorial approach to outcome measurement, including the development and use of comparable indicators where appropriate for health status, health outcomes, and quality of service such that each government will begin reporting by September 2002.

Progress

- The September 2000 First Ministers' Communiqué on Health set out a vision as well as principles to guide governments in the task of health care renewal. First Ministers agreed that the key goals of the health care system are to preserve, protect and improve the health of Canadians; ensure that Canadians have reasonably timely access to an appropriate, integrated, and effective range of health services anywhere in Canada, based on their needs, not their ability to pay; and ensure the long-term sustainability of health care services. First Ministers agreed to collaborate on priority areas for renewal and innovation and to provide regular reporting to Canadians on the progress of renewal.
- Priority areas for renewal and innovation identified by Premiers and included in the September 2000 First Ministers' Communiqué were reviewed by Health Ministers at their October meeting. Where work was not specifically underway, workplans were revised to incorporate the direction of Premiers and First Ministers.

Appropriate Health Care Services - Primary Health Care

• F/P/T Ministers endorsed the "Vision Paper on Primary Health Care Renewal." Work continues on its implementation and communication. The design criteria for the Primary Health Care Transition Fund remains a concern for provinces and territories. The contribution agreement model proposed by the federal government does not provide the flexibility in fund design required by jurisdictions. Significant accountability provisions, of concern to provinces, are also a key component of the federal draft. 70% of the Fund (\$800 million over 4 years) will be distributed on an equal per capita basis to provincial/territorial initiatives while 30% will be directed to nationally significant and inter-jurisdictional projects. A F/P/T Advisory Group on Primary Health Care Reform has been established.

Health Human Resources

• F/P/T Ministers released the "Nursing Strategy for Canada" and agreed to develop an overall Health Human Resources Strategy to include the nursing strategy, a physician resources plan, and a national plan for allied health professionals. F/P/T Ministers will review progress on these issues in September 2001.

Home Care and Community Care

• All provinces and territories have expanded home care and community care programs. F/P/T Ministers approved a workplan for home care and community care.

Pharmaceutical Management

• F/P/T Ministers agreed to the following directions for future work on pharmaceutical management: (i) increasing collaboration on drug product review activities; (ii) facilitating assessment of cost-effectiveness of prescription drug products; and (iii) examining current practices for the provision and use of information and various means of addressing drug purchasing costs. P/T Ministers have agreed to hold a special meeting (timing to be determined) to discuss actions to help them manage the growing costs of pharmaceuticals.

Health Information and Communications Technology

All provinces and territories have made major investments in their health information technologies in recent years to improve care and health systems management. Health Ministers have directed officials to finalize the Health Infostructure Blueprint and Tactical Plan, which identified initiatives to accelerate the development of information technology such as electronic health records. A harmonized approach for assuring citizens' privacy protection is being developed. The independent IT Corporation, Canada Health Infoway Inc., has been established. The Government of Canada has transferred \$500 million to the Corporation and a summer launch is planned.

Health Infrastructure

• The federal government allocated \$1 billion to provinces and territories for the purchase of diagnostic and medical treatment equipment in the 2000/01 and 2001/02 fiscal years.

Other Key Renewal Areas

- <u>Performance Indicators/Measures</u> An interim report will be provided to Ministers in September 2001 regarding development of a shared approach using jointly agreed upon comparable performance indicators/measures.
- <u>Dispute Avoidance and Resolution</u> Prior to the First Ministers' Meeting in September 2000, the federal government committed to work with provinces and territories to develop, by March 2001, a dispute settlement mechanism for disputes relating to the *Canada Health Act*. While discussions have recently resumed, little progress has yet been made. It is, however, hoped that a model consistent with the mechanism and principles endorsed unanimously by Premiers in 2000, and acceptable to all parties, will be agreed to in the near future.
- On April 4, 2001, the Prime Minister announced the appointment of former Saskatchewan Premier Roy Romanow to head a Commission on Health to develop and report on recommendations by November 2002, for revitalizing Canada's health care system. Although many provinces and territories were supportive of the announcement of the Commission, concerns have been raised that the report will come too late to address current challenges in the health care system.

Next Steps

Health Ministers are continuing discussions on priority areas for renewal and innovation as identified in the Health communiques from the 2000 APC and FMM. The annual conference of F/P/T Health Ministers is scheduled for September 24 - 26, 2001.

Recommendations

The P/T Council recommends that Premiers continue to seek adequate and sustainable federal funding for health and other social programs through the adoption of an appropriate escalator for the CHST.

The P/T Council further recommends that P/T Health Ministers show leadership in the renewal of health care services by addressing key priorities for health care renewal innovations, including a health human resources strategy and strategies to assess the cost-effectiveness of pharmaceuticals.

The P/T Council recommends that P/T Health Ministers continue their work to implement the commitments outlined in the communiqués on health from the 2000 Annual Premiers' Conference and 2000 First Ministers' Meeting.

NATIONAL CHILDREN'S AGENDA

Premiers' Direction from 2000 APC

Premiers reaffirmed their commitment to children's issues as a top priority and endorsed the vision, values and goals of the National Children's Agenda. Premiers also directed Ministers of Health and Social Services to further their discussions toward an agreement with the federal government on an early childhood development initiative.

Progress

- On June 21, 2000, the F/P/T Council on Social Policy Renewal released *Public Report: Public Dialogue on the National Children's Agenda - Developing a Shared Vision*, incorporating comments received, as well as revised statements of vision, values and goals for the National Children's Agenda (NCA).
- The NCA's shared vision for children is intended to serve as a catalyst for action by all Canadians including government collaboration on specific initiatives, such as the commitment on Early Childhood Development and further progress on the National Child Benefit.
- Four shared goals were identified for the NCA. Children should be physically and emotionally healthy; safe and secure; successful at learning; and socially engaged and responsible.
- At the September 2000 First Ministers' Meeting, First
 Ministers, except the Premier of Quebec, agreed to work
 together to improve and expand early childhood
 development programs and services over time.
 Governments also agreed to report regularly on their
 progress and to build knowledge and disseminate
 information to parents, communities and service providers
 to help them to give children the best possible start in life.
- Since then, F/P/T work has focused on the implementation of the First Ministers' commitments on early childhood development. This has resulted in action on related NCA priorities, including the commitments to monitor the progress of Canada's children, share effective approaches

to improving child wellbeing, and ensure public involvement.

• Social Services Ministers are also continuing their work on implementation of the National Child Benefit. Issues around the needs of adolescents continue to be explored by both the Health and Social Services sectors.

Next Steps

The P/T Council will continue to support the work of Social Services and Health Ministers to implement the commitments and priorities outlined in the September communiqué and focus on areas of joint work related to an early child development initiative.

The P/T Council will also continue to support the work of Social Services Ministers to implement the National Child Benefit initiative.

Recommendations

The P/T Council recommends that Premiers reaffirm their commitment to children's issues.

The P/T Council recommends that Premiers direct Social Services and Health Ministers to continue work on children's initiatives and that they give particular priority to implementation of the commitments in the communiqué on early childhood development from the September 2000 First Ministers' Meeting.

EARLY CHILDHOOD DEVELOPMENT

Premiers' Direction from the 2000 APC

Premiers confirmed that early childhood development is their top priority for action within the overall national children's agenda. Premiers encouraged their Social Services and Health Ministers to further advance their discussions toward an agreement with the federal government on an early childhood development initiative. Premiers stated that federal funding for a new early childhood development initiative must be in addition to the full restoration of the CHST with an appropriate escalator.

Progress

• First Ministers, except the Premier of Québec, released a communiqué on Early Childhood Development at their September 11, 2000 meeting. The communiqué provided provinces/territories with the flexibility to invest in any or all of the four key areas for action: promoting healthy pregnancy/birth/infancy; improving parenting and family supports; strengthening early childhood development/learning/care; and strengthening community supports. F/P/T Ministers Responsible for Social Services and Health were given responsibility for implementing the First Ministers' commitments.

• First Ministers agreed that:

- investments for early childhood development should be incremental, predictable, and sustained over the long run;
- governments would report annually to Canadians on their investments and on their progress in enhancing services in the four priority areas;
- they would develop a shared framework, including jointly agreed comparable indicators, to report on progress;
- there would be regular public reporting using common outcome indicators of child well-being.

- The federal government committed to provide provinces and territories with \$2.2 billion over 5 years for this initiative as part of an increase to CHST payments. This funding for ECD began in 2001/02 and supports the significant early efforts by provinces and territories in this area.
- All participating governments have announced their ECD plans for 2001/02.
- All participating governments agreed to establish a baseline of current early childhood development expenditures and activities and to begin reporting by fall 2001.
- The federal government also committed to providing funding for Aboriginal early childhood development and reiterated this commitment in its January 2001 Speech from the Throne. To date, there have been no specific federal announcements regarding programs, time frames or funding allocations for Aboriginal early childhood development, on and off reserve.
- In April 2001, Provincial/Territorial Ministers Responsible for Social Services and Health jointly wrote to their federal colleagues requesting action on the federal government's commitment regarding Aboriginal funding. They noted that there is a shortfall in the availability of early childhood services for reserve-based communities and that this shortfall will grow as jurisdictions begin implementing their new ECD initiatives unless there is additional federal funding for these communities. They also noted the need to ensure comparable services between on and off reserve communities.

Next Steps

Ministers Responsible for Social Services and Health approved a work plan for completion of joint work outlined in the September communique and officials have begun this work. Individual jurisdictions are scheduled to release their baseline reports in fall 2001. Ministers will continue to raise the issue of federal funding for Aboriginal ECD programming.

Recommendations

The P/T Council recommends that Premiers reaffirm early childhood development as a high priority within the overall National Children's Agenda and encourage their Social Services and Health Ministers to continue their work in implementing the ECD initiative. Premiers encourage the federal government to ensure, through the CHST, that its funding to provinces and territories for early childhood development will continue to be incremental, predictable and sustained over the long term.

The P/T Council further recommends that Premiers state their concern that federal funding is needed to improve and expand early childhood development programs and services available for Aboriginal children, both on and off reserve.

NATIONAL CHILD BENEFIT

Premiers' Direction at the 2000 APC

Premiers reaffirmed the priority that all provinces and territories place on addressing the issues of child poverty and the work force attachment of parents through the National Child Benefit. They endorsed the continued work of Ministers Responsible for Social Services toward the implementation of the series of National Child Benefit increases scheduled to 2004. In addition, Premiers called for Provincial-Territorial Social Services Ministers to provide:

- an assessment of child poverty trends in Canada;
- an assessment of the impact of the National Child Benefit in meeting its objectives of reducing child poverty, promoting workforce attachment and independence of low-income families, and reducing overlap and duplication between governments; and
- recommendations on further National Child Benefit investments to achieve full implementation.

Progress

- Under the National Child Benefit, provinces and territories are investing in a range of programs and services for low-income families. The five key areas for investment include: child benefits and earned income supplements; child day care; early childhood development and children-at-risk services; supplementary health benefits; and other supports. These investments are expected to exceed \$600 million in 2000/01. This builds on the vast array of programs and services that provinces and territories have established to promote positive outcomes for families and children.
- Governments have made significant progress in implementing income support under the National Child Benefit. By 2004, federal investment in the National Child Benefit will grow to \$2.5 billion annually.
- On April 23, 2001 Federal/Provincial/Territorial Ministers Responsible for Social Services released the second annual National Child Benefit progress report. The report noted that fewer children are living in poverty and more lowincome families are earning money from employment and

leaving welfare. The percentage of families with children living in low income dropped from 20.5% in 1996 to 18% in 1998. This decline was particularly significant with 180,000 children in families leaving low-income situations. While Canada's strong economic performance has been a key factor in this decline, the National Child Benefit has also supported this positive trend by increasing child benefits and services for low-income families and improving work incentives.

Next Steps

Provincial/Territorial Ministers Responsible for Social Services will implement the direction from Premiers regarding the future design and implementation of the National Child Benefit.

Recommendations

The P/T Council recommends that Premiers endorse the continued work of the Ministers Responsible for Social Services in the development of the National Child Benefit initiative.

BENEFITS AND SERVICES FOR PERSONS WITH DISABILITIES

Premiers' Direction at the 2000 APC

Premiers endorsed the work of Social Services Ministers on benefits and services for persons with disabilities.

Progress

- Social Services Ministers released *In Unison 2000: Persons with Disabilities in Canada* on March 30, 2001. The report, developed in consultation with the disability community and Aboriginal organizations, includes data on some societal indicators and illustrative effective practices.
- Work continued on the two joint disability initiatives recommended in the *In Unison 2000* report: (1) feasibility of a new "disability tax benefit" and other mechanisms for funding disability supports; and (2) analysis of labour market needs.
- In response to commitments from Social Services Ministers to engage representatives of the disability community in the two areas of joint work, a two-day meeting was held in April 2001 with community and Aboriginal representatives to discuss the two joint initiatives.
- At their May 15, 2001 meeting, F/P/T Social Services
 Ministers reviewed the progress and endorsed the work on
 the two joint disability initiatives.
- P/T Social Services Ministers have expressed concern about the narrow scope of federal cost-sharing for drug and alcohol programs, specifically detoxification programs, under Employability Assistance for People with Disabilities (EAPD).

Next Steps

- Work will continue on the analysis of labour market needs for persons with disabilities in conjunction with the Forum of Labour Market Ministers and in assessing the feasibility of a new "disability tax benefit" or other support mechanisms to fund disability supports in conjunction with Finance ministries.
- Options for a disability supports tax benefit and the results of the labour market needs analysis will be presented to F/P/T Social Services Ministers at their fall 2001 meeting.
- Joint F/P/T work on the two disability initiatives continues to be an appropriate and effective arrangement for moving forward on the *In Unison* agenda.

Recommendations

The P/T Council recommends that Premiers endorse work underway on the analysis of labour market needs for persons with disabilities in conjunction with the Forum of Labour Market Ministers. The PT Council also recommends that Premiers endorse the work underway on assessing the feasibility of options, including a new disability tax benefit, to fund disability supports.

The P/T Council recommends that Premiers reconfirm their commitment to the vision contained in *In Unison*. Specifically, Social Services Ministers should continue their work currently underway on assessing the feasibility of options, including a new disability tax benefit, to fund disability supports. Given the cross-sectoral nature of disabilities programming, the P/T Council on Social Policy Renewal could work with other sectors and the federal government, as appropriate. This work could be used to inform the development of recommendations to Premiers for future actions in this area.

HOUSING

Premiers' Direction at the 2000 APC

Premiers supported the ongoing work of Housing Ministers. Premiers agreed to bring to the attention of the Prime Minister concern that the federal responsibility for Housing is dispersed throughout a number of federal ministries. Premiers also called upon the federal government to consider collaborative approaches to address the different needs of homeless Canadians.

Progress

- At their annual meeting in September 2000, P/T Ministers agreed on a work plan to address affordable rental housing in urban centres, and housing in northern, rural and remote areas through short-term and long-term solutions.
- Ministers expressed concern that the federal government's practice of dispersing responsibility for housing over several Ministries restricts their ability to work with Ottawa effectively. Minister Sale from Manitoba, in his capacity as Chair of the Ministerial Council on Social Policy Renewal, agreed to raise this issue at the Council.
- In its January 2001 Speech from the Throne, the federal government signaled its intent to develop a new cost-matching capital grants initiative to support the development of multi-unit rental housing as a short-term measure to address affordable housing.
- Provincial and Territorial Housing Ministers expressed concern about federal unilateralism in developing this new program in a letter to Minister Gagliano (January 2001) and in a joint communiqué (March 2001). The Ministers stated the need for flexible program models to address local conditions and differences and the need for adequate and sustained federal funding for housing programs through a block transfer.
- Provincial and Territorial Ministers have repeatedly called for an immediate meeting with the federal Minister. Under the SUFA, governments agreed to consult on new Canadawide initiatives and provide opportunities for other

governments to identify potential duplication and to propose alternative approaches to achieve flexible and effective implementation.

- In May 2001, Minister Sale, on behalf of the P/T Council on Social Policy Renewal, wrote to Minister Gagliano reinforcing provincial/territorial concerns with the federal government's approach to program design and funding.
- Minister Gagliano has recently agreed to convene bilateral meetings with Housing Ministers to discuss the proposed program and funding model.
- Progress has been very slow in developing longer-term solutions to address affordable housing and there has been very little discussion about short-term initiatives for rural, northern and remote housing.

Next Steps

At the F/P/T and P/T Housing Ministers' meetings, scheduled for August 2001 in London, Ministers will discuss the proposed federal capital grants program, receive updates on key housing issues, progress of working groups and consider strategies for the next year.

Recommendations

The P/T Council recommends that Premiers endorse the ongoing work of Housing Ministers.

The P/T Council also recommends that Premiers support both bilateral and multi-lateral meetings among the federal Minister responsible for Housing and P/T Housing Ministers on the proposed federal affordable housing initiative. It further recommends that Premiers call on the federal government to ensure that the initiative is flexible, blockfunded and recognizes varying provincial/territorial priorities, while supporting innovative solutions. In this regard, it must address the challenges of urban, rural, remote and northern housing. The initiative must be sustained over time and not be dependent on mandatory cost-sharing arrangements.

The Provincial/Territorial Council recommends that Premiers ask Ministers of Finance and Housing to examine possible measures, such as tax changes and other forms of incentives, that could stimulate development of affordable housing in all parts of Canada.

EDUCATION

Premiers' Direction at the 2000 APC

Premiers stressed that any new federal investments in postsecondary education and skills development must be preceded by the full and immediate restoration of the CHST cash transfers, adoption of an appropriate escalator, and the increase in EI Part II funding to the maximum allowable under the EI Act.

Premiers directed their Ministers responsible for postsecondary education, skills development and labour market
matters to work more closely together and to suggest possible
approaches to ensure that individuals have the skills they need
to compete in the new economy and to report back at the 2001
Annual Premiers' Conference. Premiers supported the efforts
of the CMEC to implement the Report on Public Expectations
of Post-Secondary Education in Canada and encouraged the
CMEC to continue to pursue increased federal transfers to
provinces and territories as a means of supporting
provincial/territorial implementation of the Report. Premiers
directed their Ministers responsible for Post-Secondary
Education and Finance to work together to develop options to
ensure that student aid programs are effective.

Progress

- The Council of Ministers of Education, Canada (CMEC) has continued its efforts to persuade the federal government to restore the funding levels of the Canada Health and Social Transfer (CHST). Reductions in the CHST in recent years, combined with unilateral federal investments in specific sectors, have led to significant new pressures on the post-secondary education sector.
- The CMEC has expressed grave reservations at unilateral federal initiatives in the post-secondary education sector that duplicate existing initiatives or create additional fiscal pressure on provinces and territories. It has insisted on the need for consultations before any federal initiatives are undertaken.

Post-Secondary Education Sector:

- The CMEC and the Provincial/Territorial Forum of Labour Market Ministers (FLMM) have prepared a joint paper on post-secondary education and skills development, "Gaining the Edge in the New Economy". The paper provides a context for closer collaboration between CMEC and FLMM Ministers by outlining critical contextual issues, articulating a shared vision, and identifying options for further action.
- An in-depth review of student financial assistance will be reviewed by Ministers in April 2002.
- In 2001/02, work on accessibility to post-secondary education will focus on best practices for encouraging students from under-represented groups to further their studies at the post-secondary education level.

K-12 Sector:

- The CMEC undertook to work on a number of activities consistent with its declared values and themes, including:
 - pushing for increased funding for official languages in education;
 - ensuring that the federal copyright law permits the use of the Internet for education purposes;
 - administering surveys under the Canadian Youth, Sexual Health, and HIV/AIDS Study in October 2001 to increase understanding of the sexual health of youth and inform policy-making; and
 - reviewing proposals for pan-Canadian work plans to address issues of teacher supply and demand, and special education.

Recommendations

The P/T Council recommends that Premiers support the CMEC's activities in interprovincial/territorial cooperation. In addition, the Council also recommends that Premiers call on the federal government to increase federal transfer payments to the provinces and territories for social programs, including post-secondary education. The P/T Council further recommends that Premiers call upon the federal government to respect provincial and territorial responsibility for education and training matters when considering new initiatives in these areas.

LABOUR MARKET

Premiers' Direction at the 2000 APC

Premiers supported the work of Labour Market Ministers and tasked Ministers to:

- work more closely with Ministers responsible for postsecondary education and skills development and to suggest possible approaches to ensure that individuals have the skills they need to compete in the new economy and to report back at the 2001 Annual Premiers' Conference;
- continue to work on the development of a skills framework to enhance skills development and reduce barriers to employment that is consistent with the Social Union Framework Agreement, respects provincial/territorial jurisdiction in the areas of education and training, and calls for the immediate and full restoration of the CHST with an appropriate escalator and EI Part II funding for LMDAs to the maximum allowable under the EI Act;
- urge the federal government to work collaboratively with provinces and territories to develop and further the implementation of bilateral Youth Protocol Agreements in the areas of education and training;
- report progress to Premiers in the area of youth at risk;
- address the needs of workers having difficulty participating in the labour market such as Aboriginal, seasonal and older workers; and
- work to achieve full compliance with the labour mobility obligations of the Agreement on Internal Trade by July 2001.

Progress

Joint Work by FLMM/CMEC

• The Provincial Territorial Forum of Labour Market Ministers (FLMM) and the Council of Ministers of Education of Canada (CMEC) have prepared a joint paper for Premiers on post-secondary education and skills development "Gaining the Edge in the New Economy" that discusses strategies for closer collaboration.

Labour Market Development Agreements (LMDA) and EI Part II Allocation

- Provinces and territories with the exception of Ontario, have signed Labour Market Development Agreements with the federal government. Some jurisdictions are approaching completion of their LMDA three-year reviews. Provinces and territories have reported that recently established LMDA information sharing forums are useful.
- A number of issues remain concerning LMDA agreements, including the adequacy of total funding available through Part II of the Employment Insurance Act; and client eligibility and access to active employment measures. Provinces and territories have also advocated that the federal government reduce EI premiums which would benefit both employers and workers and could spur employers to use this money for employee training.
- In May 2000, provinces and territories presented the federal government with a business case calling for an increase of total funding to the maximum allowable under Part II of the *Employment Insurance Act*. In January 2001, provinces, territories and the federal government discussed options for strengthening the business case. There is a need for further dialogue between provinces and territories and the federal government on the issue of EI Part II.

Youth Employment

- At its meeting in October 4-5, 2000, the FLMM released the second annual *Profile of Canadian Youth in the Labour Market*, which focuses on youth at risk and youth in transition between school and work. The Ministers also set out eight outcomes in the report as a means to evaluate the development of youth in the labour market.
- Newfoundland, Nova Scotia, New Brunswick, Prince Edward Island and Manitoba currently have signed bilateral Youth Protocol Agreements with Human Resources Development Canada. There continue to be concerns regarding roles and responsibilities, overlap and duplication of youth related programming and unilateral federal announcements in the areas of youth employment. As a result, no new youth protocol agreements have been concluded during the past year.

Labour Mobility

- Responsibility for co-ordinating implementation of the labour mobility provisions of the Agreement on Internal Trade (AIT) rests with the FLMM.
- Over 50 regulated occupations involving over 400 regulatory bodies in Canada met on an occupation-byoccupation basis with the assistance of the FLMM Labour Mobility Co-ordinating Group (LMCG) to negotiate multilateral Mutual Recognition Agreements (MRAs) covering their occupational standards and qualifications.
- By July 1, 2001,³ the FLMM LMCG was in the final stages of reporting on the overall status of mobility on an occupation-by-occupation basis. The related report will be completed shortly. A process to assist workers is available through a consultation and dispute resolution mechanism.

Recommendations

The P/T Council recommends that Premiers support the work of their Labour Market Ministers and call on the federal government to meet its SUFA commitments to provinces and territories before initiating activity that falls within the constitutional responsibility of provinces and territories.

The P/T Council recommends that Premiers call upon the federal government to reinvest in post-secondary education and skills training through increases to the Canada Health and Social Transfer and an appropriate escalator, as well as increases in EI Part II funding to the maximum allowable under the EI Act.

Further, the P/T Council recommends that Premiers direct their Labour Market Ministers to continue to collaborate with their Education colleagues to support actions that improve the ability of individuals to acquire the skills they need to compete in the new economy.

The P/T Council recommends that Premiers direct Ministers to continue to press to achieve full compliance with the labour mobility obligations of the AIT.

³ While the July deadline is not binding on Quebec, that government nevertheless expects regulatory bodies under its jurisdiction to continue working to achieve compliance on a voluntary basis within a reasonable period of time.

ABORIGINAL AFFAIRS

Premiers' Direction at the 2000 APC

Premiers called on the federal government to recognize its treaty, fiduciary and constitutional responsibilities for the health, education and well-being of Aboriginal Canadians and to work with provinces, territories and Aboriginal peoples on more effective delivery and financing of health, education and social services for Aboriginal peoples.

Premiers stressed the importance of continued Aboriginal involvement to ensure that the needs of Aboriginal children are a priority as work on the National Children's Agenda proceeds.

Premiers encouraged continued co-operation between governments and Aboriginal organizations toward addressing the education, skills development and labour market needs of Aboriginal people.

Progress

- The federal government's January 2001 Speech from the Throne made a number of commitments to Aboriginal peoples, including the following:
 - ensuring that basic needs are met for jobs, health, education, housing and infrastructure;
 - working with First Nations to improve and expand the early childhood development programs and services available in their communities;
 - significantly expanding the Head Start program;
 - cooperating with Aboriginal communities and provinces and territories to reduce the number of Aboriginal newborns affected by fetal alcohol syndrome;
 - reducing the incidence of preventable diabetes and tuberculosis;
 - significantly reducing the percentage of Aboriginal people entering the criminal justice system; and
 - helping to strengthen Aboriginal entrepreneurial and business expertise, as well as governance and administrative practices in First Nations communities.

- Provincial and Territorial Aboriginal Affairs Ministers met with Federal Ministers responsible for Aboriginal peoples and the five national Aboriginal Leaders in Winnipeg on May 11, 2001. Ministers and Leaders reviewed and endorsed a F/P/T/A working group report on Strengthening Aboriginal Participation in the Economy. The report's recommendations were adopted, including recommendations to promote connectivity, engage the private sector, develop partnerships, continue sharing of information and best practices, and ensure a special focus on youth and women.
- At the May 11, 2001 meeting, Ministers and Leaders also received an update on the National Aboriginal Youth Strategy. They committed to a National Aboriginal Youth Conference in Edmonton on October 26-28, 2001. This conference will provide youth with a further opportunity to provide input and advice on the National Aboriginal Youth Strategy as well as on implementation activities associated with this Strategy.

Next Steps

Ministers and Leaders will meet in December 2001 to review the workplan and receive a progress report from officials on implementing the recommendations of the F/P/T/A Working Group Report on *Strengthening Aboriginal Participation in the Economy*.

F/P/T/A work is proceeding on a National Aboriginal Youth Conference to be held in Edmonton on October 26-28, 2001.

Recommendations

The P/T Council recommends that Premiers call on the federal government to move expeditiously to fulfil its commitments to Aboriginal peoples in all provinces and territories as set out in its January 2001 Speech from the Throne.

Further it is recommended that Premiers acknowledge the ongoing efforts of Ministers Responsible for Aboriginal Affairs in collaborating on implementing recommendations of the F/P/T/A Working Group Report on *Strengthening Aboriginal Participation in the Economy*.

STATUS OF WOMEN

Premiers' Direction at the 2000 APC

Premiers endorsed the work of the Status of Women Ministers and encouraged Ministers to continue in the priority areas of economic equality, women's health and prevention of violence.

Progress

 Ministers responsible for Status of Women have continued to focus their work in the priority areas of economic security, women's health and prevention of violence.

Next Steps

At their annual meeting in September 2001, Ministers will discuss indicators of violence against women and policies across Canada related to violence against women; a gender analysis of a report on the current state of population health measurement and reporting; gender issues and the tax system; employment insurance; women in non-traditional and knowledge-based occupations; and part-time, contractual and self-employed workers' access to maternity and other related benefits.

Recommendations

The P/T Council recommends that Premiers endorse the work of Status of Women Ministers and encourage Ministers to continue in the priority areas they have identified.