

## FOR IMMEDIATE RELEASE

### Atlantic Premiers present Vision for Renewal of Key Federal Transfers

**St. John's, NL (December 5, 2011)** – The Atlantic premiers today called on the federal government to provide adequate, sustainable and predictable transfers to help meet the region's unique challenges in providing health care and other valued services. To meet the needs of Canadians, premiers urged the federal government to commit to increasing its contribution to a minimum of 25% of healthcare costs.

Premiers agreed on the need for continued, stable growth in health care and social service transfers, a properly functioning equalization program and a collective approach to negotiation of major transfers. Premiers also urged the federal government to provide additional funding beyond the existing health transfer to assist the Atlantic provinces in renewing their health care systems on a sustainable basis.

Premier Kathy Dunderdale, who chaired today's meeting of the Council of Atlantic Premiers, welcomed Premier David Alward of New Brunswick, Premier Darrell Dexter of Nova Scotia, and Premier Robert Ghiz of Prince Edward Island to St. John's to discuss issues of common interest to Atlantic Canadians.

#### **Federal Transfers Renewal**

Current arrangements for Equalization (EQ), Canada Health Transfer (CHT), and Canada Social Transfer (CST), will expire on March 31, 2014. In renewing these transfers, Atlantic premiers called for a principles-based approach. All Canadians, regardless of where they reside, should enjoy equitable access to such vital programs as health care, education, and social services. Premiers urged that federal transfers be renewed in a manner that works for all provinces and territories.

Growth in the federal CHT contribution is not keeping pace with provincial health care cost pressures. As a proportion of all health care spending in Canada, the federal share has dropped to 20% in 2010/11. Premiers called for a new long-term agreement that increases the federal share of health care funding to 25%. In addition, this agreement should be based on the current CHT allocations and utilize a 6% per province annual escalator, instead of a national total 6% escalator. Finally, the agreement should include additional funding that respects and reflects jurisdictional health priorities. Renewal of the Canadian Health Transfer must be undertaken in the context of all other federal transfers, with increases in health funding not offset by reductions to other transfer arrangements.

Premiers continued to stress that Equalization is an essential component of Canadian federalism. It is representative of the constitutional commitment reflected in section 36.2 of the *Constitution Act, 1982*, to ensure that provincial governments "have sufficient revenues to provide reasonably comparable levels of public services at reasonably comparable levels of taxation."

Premiers called for the restoration of an equitable funding formula for the Canada Social Transfer.

To ensure that all provinces can meet Canadians' needs for services, base funding should be part of renewed transfer arrangements.

### **Health Care Sustainability**

Premiers share a strong commitment to sustainable, high-quality health care. Universal health care is a distinct feature of citizenship in Canada, and both orders of government must contribute to the support of vital health and social services, allowing provinces and territories to deliver the services that all Canadians deserve.

Premiers committed to continue to address cost pressures in the health system while maintaining the level of service that residents require. The region's unique characteristics – including an aging population and higher-than-average incidence of chronic disease – will challenge efforts to put health care on a sustainable footing. Premiers welcome an opportunity to work with the federal government to renew health care as provinces create innovative programs to decrease costs and improve outcomes.

Governments are accountable to their citizens for the results from public funds spent on health care and social programs in their respective jurisdictions. The Atlantic provinces are improving and streamlining public reporting on health care, to focus resources dedicated to reporting in areas of highest priority and utility.

Premiers look forward to discussing these issues with their provincial and territorial colleagues at the Council of the Federation meeting to be held next month in Victoria, British Columbia.

### **Employment Insurance**

As the Employment Insurance (EI) program currently operates, both regular benefits and the training funds available through the program provide important and effective support for Canada's economy. The current EI program responds well to the challenges faced by rural economies and is designed to take into account the differing economic circumstances in regions throughout the country. Premiers noted that the recent report by the Mowat Centre contains recommendations that, if implemented, would undermine the ability of the EI program to respond to distinct differences between regions.

The EI program has evolved significantly over its history, through careful review and implementation of new measures. Premiers support changes to the EI system that would improve access to EI for workers throughout Canada, and ensure that the program continues to provide adequate support to unemployed persons through regular benefits and training opportunities, and does not reduce the level of benefits currently available to workers in the Atlantic provinces.

### **Federal Presence**

The federal government's ongoing deficit reduction measures may translate into a reduction in federal jobs and services. While Atlantic premiers support the principle of fiscal prudence, federal jobs, programs and services in the Atlantic provinces should not be disproportionately impacted, either intentionally or indirectly, as a result of federal deficit reduction efforts.

Canada has a highly centralized national public service. In considering reductions to the federal public service, the Government of Canada should start in the National Capital Region.

### **Immigration**

In order to support regional labour market needs, particularly in light of changing demographics, it is imperative that there be growth in the recruitment and retention of immigrants for Atlantic Canada. Recent Citizenship and Immigration Canada decisions on immigration levels and caps on Provincial Nominee Programs will limit immigration to Atlantic Canada during 2013-2015.

The Atlantic premiers recognize that a vibrant economy depends on the availability of a skilled and abundant work force, and will continue to encourage the federal government to increase immigration levels to reflect regional needs and provide for economic growth, equitably to all provinces and territories.

### **Trade Mission to Atlanta, Georgia**

Premiers confirmed today that they will lead a trade mission to Atlanta, Georgia on February 6-8, 2012. The trade mission is intended to strengthen existing commercial ties, enhance exports and increase trade with the Southeastern United States, while creating opportunities for the Atlantic region. The mission will focus on aerospace and defence, information technology, agri-food, seafood, and oceans sectors.

The Atlantic premiers and delegates will meet with business leaders in Atlanta and emphasize the strategic commercial attributes of Atlantic businesses – location on global trade routes, a highly skilled labour force, high-quality products and a competitive cost structure.

Strengthening and enhancing business partnerships is vital to maintaining growth in the Atlantic region. This mission builds on the previous successes of Atlantic trade missions to Toronto, Calgary, Edmonton and Fort McMurray.

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