



Canada's Premiers Discuss Affordability and Global Challenges

VICTORIA, July 12, 2022 – Today, Canada's Premiers focused their discussion on affordability issues now confronting Canadians and on fostering a strong post-pandemic economic recovery in the face of global disruptions. Specific priorities included:

- Strengthening supply chains
- Bolstering labour supply
- Addressing climate change
- Enhancing energy security
- Food security
- Mental health and addictions
- Arctic security and sovereignty.

These are challenging times for Canadians, marked by critical environmental, economic and security concerns. All of this affects the cost of living. Canadians expect their governments to take constructive steps to improve affordability and position Canada for economic renewal and prosperity regardless of challenges. Provinces and territories are taking action, delivering the health care, skills training, settlement services, climate action, and resource development that are critical to Canada's future. Premiers urge the federal government to act in partnership to support this work while respecting provincial and territorial jurisdiction.

Premiers deplore the destructive and globally harmful impacts of Russia's unprovoked invasion of Ukraine and express their solidarity with Ukraine and its people. They remain committed to welcoming Ukrainian evacuees.

Supply Chains

Reliable supply chains are paramount to affordability, a strong economic recovery and future prosperity. Critical transportation and trade infrastructure is essential in getting goods, services, materials and commodities to market. Premiers call on the federal government for enhanced infrastructure funding, streamlined and timely approval processes and flexibility for provinces and territories to prioritize critical transportation infrastructure investments that build resiliency and support growth. Premiers also call on the federal government to work with provinces and territories to expand port capacity and to streamline port renewal projects.

Global uncertainty and supply chain disruptions caused by the pandemic and the war in Ukraine are elevating food security concerns. Canada has the food and agricultural products the world needs, and the federal government must ensure that regulatory

barriers do not block the ability of agricultural producers and exporters to get their products to market.

The comprehensive Canada-United States trade relationship is crucial to the economic well-being of both countries. Provinces and territories have played an important role in raising concerns about protectionist measures in the United States, including the expansion of Buy America domestic content requirements and ongoing trade disputes, such as softwood lumber, and will continue to work with the federal government to maintain fair and open trade between Canada and the United States and to fairly resolve ongoing trade disputes. In the context of geopolitical instability, provinces and territories will continue to advocate for the resolution of these outstanding issues, strengthen our already deep economic relationships with our U.S. neighbours, and further mutual objectives related to resilient supply chains.

Premiers reiterate their ongoing commitment to facilitate internal trade. Increased trade between provinces and territories supports Canada's economic growth, while improving affordability, choice and security of supply. Building on recent progress, Premiers are committed to continuing to work cooperatively to ensure the success of the Canadian Free Trade Agreement, reducing trade irritants and aligning regulatory approaches where possible. While provinces and territories have been playing the leadership role in improving internal trade, the federal government must take real action to remove barriers and red tape under its jurisdiction, prioritizing removing constraints related to federal procurement. Premiers direct the Regulatory Reconciliation and Cooperation Table to accelerate work underway on developing a potential model for mutual recognition of regulations with a negative option list.

A recent ruling by the Court of Appeal of Alberta found the federal *Impact Assessment Act* to be an unconstitutional intrusion into provincial jurisdiction. The federal government has appealed the decision to the Supreme Court of Canada. Premiers are concerned about on-going federal intrusions into provincial and territorial jurisdiction.

Labour Supply

Premiers discussed workforce challenges, including the needs of employers and employees. A strong labour force advances Canada's social and economic growth and underpins affordability for Canadians. This includes attracting and retaining skilled workers from within Canada and abroad, enhancing labour force participation of under-represented groups, continuing investments in training and work force development, and improving labour mobility across Canada. Strengthening our labour force also means increasing investments in skills training for Canadians to ensure they are more resilient and that they can adapt to rapid shifts in the labour market.

Premiers call on the federal government to provide sufficient, predictable, and reliable funding, and to work with provinces and territories to strengthen Labour Market Transfer Agreements. This includes providing additional funding and ensuring provinces and territories have the flexibility and tools required to offer skills training opportunities needed to respond to diverse labour force and economic needs. Premiers also call on the federal government to work collaboratively with provinces and territories on any

changes to Employment Insurance to ensure employment and skills training programming meets local and regional needs, and upholds provincial and territorial authority for the development and delivery of skills training programs.

To support the retention of Canadian educated international students, Premiers urge the federal government to remove barriers to international students accessing federal employment support programs, including collaboration with provinces and territories in optimizing the Post-Graduate Work Permit for international students to meet local workforce needs and more efficient transitions to permanent residency.

Provinces and territories are best placed to ensure alignment between immigration and our local labour market needs. Premiers call on the federal government to work with provinces and territories to expand Provincial and Territorial Nominee Programs and ensure the necessary federal resources are in place for timely and efficient processing of nominees. As immigration is an area of shared jurisdiction, the federal government should improve partnership on multi-year planning, including levels and economic priorities. Federal immigration policies should complement and respect the role of provinces and territories in economic immigration through Provincial and Territorial Nominee Programs.

Under the Canada-Québec Accord, Québec assumes sole responsibility for the selection of immigrants and settlement services in Québec. However, it shares the concerns of all provinces and territories about undue delays in the assessment and processing of applications by the federal government and calls on the federal government to urgently improve its processes in this area.

Despite significant progress, Canadians may still face delays when seeking to begin work in a regulated occupation in another province or territory, particularly health care workers. To improve labour mobility, provinces and territories will work with regulatory authorities to encourage reduction and streamlining of application requirements, and work together to help regulatory authorities further align occupational standards.

Climate Change

The impacts of climate change and catastrophic weather events are being felt from coast to coast to coast, with devastating effects on communities, the economy and critical infrastructure.

Meeting the challenge of climate change will require provincial and territorial leadership in reducing carbon emissions. Each province's and territory's climate plan is tailored to its circumstances and reflects a common aim to reduce greenhouse gas emissions and adapt to the impacts of a changing climate. Provinces and territories have an essential role to play in delivering a lower carbon, cleaner growth future, including through participation in international forums such as the upcoming United Nations Conference of the Parties (COP 27) in November 2022.

Provinces and territories are actively working to deliver a more sustainable future for their residents. Premiers call on the federal government to act in partnership to support

and fund the implementation of provincial and territorial climate action priorities. In order to achieve tangible results, the federal government must uphold commitments to provinces and territories, engage meaningfully with them and respect their jurisdiction when developing strategies on emissions reductions and adaptation. Canada's future economic stability depends on both energy security and sustained climate action.

Energy Security

Rising fuel prices, home heating costs and utility bills have dramatic impacts on Canadian households. Inflation in Canada is at a 39-year high largely due to high energy prices caused in part by the Russian invasion of Ukraine. Gasoline prices are up 48 percent year-over-year, and food prices are up almost 9 percent due to supply chain disruptions, as well as higher transportation and input costs such as fertilizers and fuel. High energy prices benefit Canada as an energy producer, but create serious affordability issues for consumers and businesses.

As many countries seek to reduce their dependence on Russian energy, the world faces widespread shortages and price spikes. As one of the world's largest and most responsible energy producers, Canada has an important role to play in providing environmentally responsible, reliable and affordable energy products to Canadians and the world.

Provinces and territories are exploring further opportunities to supply the world with the energy it needs to improve reliability and affordability, while we move toward a lower-carbon economy. We must maintain and expand critical export infrastructure to the U.S., which continues to be Canada's number one market, including securing the future of Line 5, expanding hydro exports, and meeting global energy needs while respecting the will and jurisdiction of provinces and territories, to support our allies as they are actively making the transition away from Russian energy.

In building a secure and affordable energy future, provinces and territories are working to support investments across a range of current and future energy sources, technology and processes to bring about a lower-carbon, cleaner growth economy, including critical minerals, hydrogen, hydro, wind, solar, carbon capture and storage, and small modular reactors. This can be facilitated by increased support from the federal government to ensure appropriate streamlined regulatory processes and adequate funding.

Mental Health and Addictions

Mental health and addictions challenges are complex issues with profound impacts on Canadians, and the pandemic has exacerbated these challenges. Almost everyone has been affected, or knows someone who has. This is an emerging area of public health that highlights the need to increase the Canada Health Transfer.

Increasing toxicity of drug supply is a critical issue across the country. Premiers talked about best practices in their jurisdictions to reduce stigma and improve outcomes for patients. While all governments are making investments and exploring solutions, each and every one of us plays an important role in promoting mental health. Premiers will

continue to combat the addictions crisis, build integrated systems of care and increase and improve access to culturally appropriate mental health and addictions supports.

Arctic Security and Sovereignty

The Russian invasion of Ukraine has important implications for peaceful cooperation in the Arctic. Significant strategic investments are needed to improve Canada's Arctic sovereignty through strengthened resiliency of Northern communities in collaboration with concerned partners and governments. Prosperous, healthy, vibrant communities and people contribute to the sovereignty of the Canadian Arctic.

Federal investments dedicated to defending the Arctic should be informed by provincial and territorial priorities as well as the needs and interests of Northerners. Premiers call on the federal government to identify new financial resources to support sovereignty in Canada's North and the implementation of the Arctic and Northern Policy Framework. This includes support to turn the North's resource and trade potential into shared wealth and prosperity, while investing in the people and their communities.

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