



April 18, 2024

The Right Honourable Justin Trudeau. P.C., M.P.
Prime Minister of Canada
Office of the Prime Minister
80 Wellington Street
Ottawa, ON K1A 0A2

Dear Prime Minister:

Affordability remains an urgent issue facing Canadians, and every government must play a key role in restraining the impacts of the high cost of living while advancing economic prosperity in Canada. We all face similar challenges and now is the time for governments to work together.

The federal government must refrain from overreaching into provincial and territorial jurisdiction, particularly in the areas of health, education, and housing. Every government should have the right to receive ongoing financial compensation representing their fair share. This includes provinces and territories that reserve the right to require unconditional federal funding.

This budget provided an opportunity for the federal government to promote affordability, increase productivity, and invest in what is critical to Canada's economic growth. However, to fully deliver for Canadians we must return to a cooperative approach, where governments work together so that the unique needs and priorities of Canadians are respected and responded to in the most efficient way possible. This also means having the federal government support provinces and territories (PTs) with their respective needs and responsibilities in areas such as infrastructure, housing, disaster mitigation and response, and skills training to support economic prosperity across the country, while respecting PT jurisdiction.

Budget 2024 was announced after all PTs released their respective budgets and contained several initiatives that directly impact our own plans and budgets. There was limited and inconsistent outreach from the federal government in advance to ensure priorities and objectives of PTs were considered. Federal investments should complement the investments already being made by PTs in our areas of responsibility, providing the maximum benefits for Canadians. Premiers are concerned that new federal programs, created without long-term funding commitments, will eventually be downloaded on provinces and territories, increasing the financial burdens borne by their taxpayers.

The budget proposes a suite of initiatives related to the housing crisis. Premiers welcome the federal government's recent attention to this critical issue for Canadians. However, the impact of population growth on the demand for housing must be considered by the federal government, including acting on the significant number of asylum seekers in some jurisdictions.

Collaboration and program flexibility will be essential to ensure PTs are able to plan and meet their unique needs and priorities. PTs need to have a key role in the development and execution of federal housing programs: the issue cannot be solved by the federal government and municipalities acting without the meaningful involvement and support of PTs.

For many years, the Council of the Federation has been advocating for the need to strengthen Arctic security. Premiers are pleased that the federal government has responded with increased spending on defence, particularly investments in northern multi-use infrastructure that can both strengthen communities and support military needs. Given the current and evolving geopolitical situation, Premiers believe that more must be invested in defence and security to equip and staff the Canadian Armed Forces to defend Canada's interests at home and abroad.

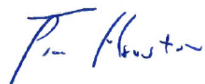
For over a year, we have been seeking details on the federal government's intentions around infrastructure programming. Premiers have been clear that flexible and predictable funding to PTs is required. Budget 2024 did not include investments to support the development and maintenance of Canada's infrastructure, which is central to economic growth and prosperity. Premiers expected the federal government to show up as a full partner, respecting their priorities and needs, but this did not happen.

As the Canadian economy manages labour shortages, Premiers expected continued investments from the federal government through funding of the Labour Market Transfer Agreements at 2023 levels. The funding provided by these agreements is essential to support training and retraining opportunities for Canadians wanting to increase their skills or enter the workforce. This funding cut will negatively impact outcomes for Canadians.

With the beginning of another wildfire, drought, and flood season, Premiers expected that updated Disaster Financial Assistance Arrangements would provide provinces and territories with timely, flexible, and adequate support in responding to emergency events. The federal government must not continue to shift additional risks and costs onto provinces and territories.

Budget 2024 may lead to positive impacts for Canadians if actioned properly and collaboratively with provincial and territorial partners. While the issue of good governance may not grab headlines, we know it is crucial for turning promises into results. That is why Premiers continue to take actions in their jurisdictions to improve affordability and quality of life for all Canadians.

Sincerely,

A handwritten signature in blue ink that reads "Tim Houston".

Tim Houston
Chair, Council of the Federation
Premier of Nova Scotia

cc. Premiers