

Federal transfers to provinces and territories

The federal government has always played a key role in funding and setting standards for high quality publicly accessible social programs across Canada. Federal financing takes the form of transfer payments to Canadian provinces and territories. There were transfer payments to help with the cost of health care, post-secondary education, social assistance, and social services.

These programs originally covered half of the cost of these services. And the funding was conditional on the money being spent on the services for which it was intended.

Over time, successive federal governments gradually reduced the federal role in the financing and delivery of social programs. Costs were downloaded to the provinces, and the federal power to demand accountability and oversight diminished. Increasingly, provinces used transfers to finance tax cuts, or to spend in other areas such as infrastructure.

The most dramatic shift in policy was orchestrated by the Chretien Liberal government with the 1994 social policy review and the 1996 austerity budget. These changes effectively removed any lingering power the federal government had in oversight and accountability.

Liberal

The Liberals have provided \$4.5 billion in one-time top-ups to the Canada Health Transfer (CHT) since the pandemic started to help address the extreme pressures that COVID-19 put on our health systems and reduce backlogs.

The Liberals promise to strengthen federal powers under the *Canada Health Act* and the *Federal-Provincial Fiscal Arrangements Act* to deduct health transfers from provinces who enable extra billing for publicly insured services, to protect the integrity of our universal public health care system. There is also a promise of regulations under the *Canada Health Act* to guarantee accessibility to sexual and reproductive health services.

The Liberals are proposing a Canada Mental Health Transfer so provinces and territories can expand mental health services. This transfer would be used to establish standards that would apply to each province and territory.

Conservative

The Conservatives are proposing an annual increase in the CHT of at least 6% with a “significant portion” of the funding going to mental health. However, there is no mention of conditions to accompany the increase in the CHT so provinces will not be required to increase funding for mental health. Additionally, the Conservatives promise to remove conditions on federal transfers for social programs. On equalization, the Conservatives propose legislation that would increase the requirements for consultations between the

federal and provincial governments and remove the per capita limit on fiscal stabilization payments. It should be noted that the current equalization formula was put in place when the Conservatives were in government.

NDP

A key aspect of the NDP platform is the idea that the federal government has a role in upholding and enforcing pan-Canadian standards in the funding and delivery of high-quality public services across Canada, and removing barriers to such access. The NDP promises to uphold legislation such as the *Canada Health Act*, especially against the creeping threat of privatization and user fees. There would also be action to prevent the sale of blood products, and making sure that women can access safe abortion services in all regions and developing The NDP is also promising a national approach to pharmaceutical pricing, expanding Medicare with a federal funding of \$10 billion to include universal pan-Canadian high quality prescription drug coverage.

There is a proposal for a dedicated federal transfer for seniors' care, conditional on demonstrating that specified national standards are met. National standards for home care and long-term care would be developed in collaboration with patients, caregivers, and provincial and territorial government, and regulated by the same principles as the *Canada Health Act*.

Green

The Green Party proposes expanding the *Canada Health Act* and restoring the Canada Health Accord by increasing health transfers, basing them on demographics and real health care needs in each province. This would replace the current formula based on GDP growth introduced by the Harper government and retained by the Liberals. There would be funding for a universal pharmacare program, free dental care for low-income children and there would be national standards for long-term care. A dedicated Seniors' Care Transfer to provinces and territories is proposed.

Funding for post-secondary education would be increased to allow tuition fees to be abolished.

Conclusion

The federal government must maintain its historic role in helping fund services delivered by provinces and territories like health care, education, social assistance and social services. It must also ensure national standards are met. That includes upholding the *Canada Health Act* requirements that no federal money goes to for-profit health of any kind.