



Canada Social Report

# Federal Policy Monitor

May 2017



CANADA SOCIAL REPORT



The Caledon Institute of Social Policy regularly scans for the release of federal government policies and programs that impact areas of interest, including income security, disabilities, health, housing, poverty reduction, recreation, seniors and youth.

Monitors can be searched on the [Canada Social Report](#) website by date and category.

#### DEMOGRAPHICS

Statistics Canada released a second series of data from the 2016 Census on age and sex, and type of dwelling. A key finding note that from 2011 to 2016, Canada registered the largest increase in the proportion of seniors since Confederation. This acceleration of population aging is the result of the first baby boomers reaching the age of 65.

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#### DISABILITY

Statistics Canada released a new chapter, "Women with Disabilities," from the publication *Women in Canada: A Gender-based Statistical Report*. This chapter provides a broad statistical portrait of women with disabilities.

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#### EDUCATION/EMPLOYMENT

A Statistics Canada study of young men and women reported that, in 2016, 340,000 young Canadians ages 25 to 34 had not completed high school. More than two-thirds of young Canadian men without a high school diploma were employed. For women in the same age group without a diploma, just over 40 percent had a job. The proportion of young Canadians without a high school diploma was higher among men than women.

In 2016, 8.5 percent of men ages 25 to 34 had not graduated from high school compared with 5.4 percent of women. These proportions represent a significant decline since 1990, when 22 percent of young men and 19 percent of young women did not have a high school diploma.

Other population groups were also more likely to be without a high school diploma, among them Aboriginal people (i.e., First Nations living off reserve, Métis, and Inuit). In 2016, 20 percent of Aboriginal men and 16 percent of Aboriginal women ages 25 to 34 did not have a high school diploma.

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#### EMPLOYMENT

Statistics Canada reported that, in March, 551,100 people received regular Employment Insurance (EI) benefits, down slightly (-2,900 or -0.5 percent) from February. The number of people receiving regular benefits edged up 3,800 or 0.7 percent in the 12 months prior to March.

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#### GOVERNANCE

The Parliamentary Budget Officer issued a response to the reforms proposed to its role as outlined in Bill C-44. "Clause 128 amends the Parliament of Canada Act to make the PBO an independent officer of Parliament and recognizes that the purpose of the "independent and non-partisan" PBO is to "support Parliament". Both are welcome changes.



However, Clause 128 also contains elements that will undermine the independence and non-partisanship of the PBO and that will undercut the PBO's ability to support Parliament. These are concerning and deserve the Senate and House of Commons' careful scrutiny."

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The Parliamentary Budget Officer released a report entitled *Following the Dollar – Tracking Budget 2016 Spending and Tax Measures*. To help Parliamentarians hold the Government to account for the implementation of its plan, the PBO decided to track spending and tax measures from announcement in the budget to Parliamentary approval through appropriation and budget implementation bills.

The PBO found that there is no clear line of sight from budget announcements to their implementation. The different presentation, wording and accounting methodology make it challenging to align budget spending measures with items included in the estimates. Further, it is not possible to track spending on most budget measures beyond the first year or what was actually spent on specific measures. It is therefore very difficult for Parliamentarians to hold the government to account for implementing its fiscal plan, as outlined in the budget.

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The Parliamentary Budget Officer launched a web-based [simulator](#) that allows the public to assess how sensitive the country's fiscal projection is to changes in certain economic assumptions. The new application will be updated twice a year with the PBO's most recent *Economic and Fiscal Outlook*.

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## HEALTH

To protect Canadians from excessive drug prices, the federal government is proposing changes to the way patented drug prices are regulated in Canada. Through amending the Patented Medicines Regulations to change the list of countries used for price comparison, the government will be able to take advantage of lower drug prices in other countries as well as consider value for money and affordability.

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As part of an effort to moderate the price of prescription drugs, the government is modernizing the regulatory framework that guides the work of the [Patented Medicine Prices Review Board \(PMPRB\)](#). The *Patent Act* and the Patented Medicines Regulations provide the legal authority for the PMPRB to regulate the prices of patented medicines sold in Canada to ensure that they are not excessive.

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A Patented Medicine Prices Review Board report reveals that prescription drug expenditures by Canadian public drug plans reached \$11.3 billion in

2015-16, up \$1 billion over the previous year. This increase was mainly driven by a 12 percent growth in drug costs. While new and curative treatments for hepatitis C were major contributors to this growth, other high-cost drugs continued to put upward pressure on drug plans.

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The federal government is supporting a pan-Canadian platform of research involving more than 50,000 Canadians followed for 20 years. This platform – the Canadian Longitudinal Study on Aging (CLSA) – will allow researchers to answer critical questions on the biological, medical, psychological, social, lifestyle and economic aspects of aging, disability and disease. The platform is especially valuable as a source of data for early career researchers and trainees. CLSA was launched in 2001; 20,000 were recruited in 2009 and by 2012, 30,000 participants were involved in the initiative.

The government will invest \$1.7 million to support 25 projects to be carried out by researchers across the country to use and analyze baseline CLSA data to answer important health questions. The funding is being provided by the Canadian Institutes of Health Research, the major source of funding for the CLSA.

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The government will supply \$4 million to establish a Lyme disease research network.

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## HOUSING

The Parliamentary Budget Officer issued *Household Formation and the Housing Stock – May 2017 update*, which provides an assessment for the period January to May 2017. This report presents estimates of household formation and the housing stock in Canada, and also gauges the degree of balance in the housing sector, both for new housing units and the overall housing stock. The assessment is based on housing data and indicators at the national level, which can mask important variation across regions. An assessment of the housing sector at the regional, or Census Metropolitan Area (CMA), is beyond the scope of the report.

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## INCOME SECURITY

Statistics Canada released *Canadian Income Survey, 2015*. Among its findings:

- the median after-tax income of Canadian families and unattached individuals was \$56,000 in 2015, virtually unchanged from 2014. Since the start of the *Canadian Income Survey in 2012*, the median after-tax income of Canadians has increased 2.9 percent



- according to the after-tax low income measure, almost 5 million people or 14.2 percent of the population lived in low income in 2015, up 1.2 percentage points from 2014 but little changed from 2012.

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### INDIGENOUS PEOPLES

The federal government launched Urban Programming for Indigenous Peoples (UPIP).

Based on feedback from national engagement sessions on the former Urban Aboriginal Strategy, UPIP will provide four broad streams of funding: organizational capacity; programs and services; coalitions; and research and innovation.

These funding streams will ensure that organizations have the tools they need to deliver key programs and services to urban Indigenous populations across Canada. These include:

- projects to help women transition out of shelters
- projects for persons with addictions, disabilities, senior
- projects for youth that provide land-based activities and mentoring.

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### LABOUR MARKET

Statistics Canada reported that employment was little changed in April, while the unemployment rate declined 0.2 percentage points to 6.5 percent, the lowest rate since October 2008. The decrease was mostly the result of fewer youth searching for work. Compared with 12 months earlier, there were 276,000 (+1.5 percent) more people employed and the unemployment rate was 0.6 percentage points lower. Over the same period, the total number of hours worked rose 1.1 percent.

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The government is selecting five innovation superclusters in which it will invest \$950 million to stimulate innovation and ultimately, create jobs. Superclusters are created when large and small companies collaborate with universities, colleges or not-for-profit organizations to turn ideas into solutions that can be brought to market. Areas under consideration include advanced manufacturing, agri-food, clean technology, digital technology, health/biosciences, clean resources, and infrastructure and transportation.

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### POVERTY REDUCTION

The Parliamentary Budget Officer released *A Primer on Public Transit Tax Credit*. It reviews the fiscal impacts of the proposed elimination of the federal credit.

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