



## Fact Sheet: Reforming the 1965 Agreement

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### What is the 1965 Agreement?

**The 1965 Indian Welfare Agreement (more commonly known as the "1965 Agreement") is a cost-sharing agreement between the governments of Canada and Ontario. It outlines the formula for how Canada will reimburse Ontario for the costs of delivering specific social programs on-reserve.**

Under the 1965 Agreement, Ontario uses its own provincial laws, policies, and funding formulas to provide these programs to First Nations on-reserve, and Canada then reimburses about 92% of the eligible costs.

It is important to note that Canada does not consider all program costs eligible. As a result, Ontario claims that it covers more than the remaining 8% of the total cost. For programs delivered off-reserve, Ontario is fully responsible for the costs.

The 1965 Agreement is strictly a cost-sharing agreement for on-reserve services. It does not establish how services are designed, delivered, or funded within each program area.

**The four social program areas covered by the 1965 agreement are:**

- 1. Social assistance (Ontario Works only)**
- 2. Childcare (fee subsidy only)**
- 3. Homemaking (non-medical home care)**
- 4. Child and family services (with some elements excluded)**

Over the years, First Nations have taken on a growing leadership role in delivering services in all four of these areas.



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### Why Reform is Needed

**Although the 1965 Agreement was originally intended to help ensure First Nations individuals on-reserve access to key social programs, it has faced widespread criticism for decades.**

The Chiefs of Ontario have repeatedly called for its reform, passing 12 resolutions on the matter since 1980.

#### **Key concerns include:**

- **No clearly defined role for First Nations in governance or service design**
- **Outdated language and schedules**
- **Few or no effective dispute resolution methods**
- **Exclusion of important programs such as Ontario Disability Support Program (ODSP)**
- **A lack of flexibility to support First Nations-led approaches**

As part of the *First Nations Child and Family Caring Society* case at the Canadian Human Rights Tribunal (CHRT), the Chiefs of Ontario argued that the 1965 Agreement was racially discriminatory and harmful.

In January 2016, the CHRT ruled in favor of the Chiefs of Ontario, finding that the agreement led to discrimination in child and family services for First Nations on-reserve.

The CHRT ordered Canada to reform the agreement to end the racial discrimination and prevent it from happening again.

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### Recent Progress

Although the Canadian Human Rights Tribunal's (CHRT) ruling was specifically about discrimination in child and family services on-reserve, **Canada has had a mandate since March 2023 to pursue comprehensive reform of the child and family services provision of the 1965 Agreement and to pursue exploratory discussion on the remaining three program areas covered by the 1965 Agreement.**

On February 26, 2025, the Chiefs of Ontario (COO), Nishnawbe Aski Nation (NAN), and Canada signed the **Trilateral Agreement in Respect of Reforming the 1965 Agreement**. This agreement builds on Canada's earlier commitment to work with COO and NAN to pursue reform of the 1965 Agreement with Ontario on an expedited basis.

The Trilateral Agreement is based on a 2022 reform proposal developed by COO, which reflects decades of Chiefs' resolutions and input from the COO 1965 Indian Welfare Agreement Symposium. A central part of the **Trilateral Agreement** is the joint commitment by COO, NAN and Canada to create a work plan.

This work plan, which was finalized on September 4, 2025, is intended to encourage Ontario to seek a mandate to engage in preliminary reform discussions. The final draft was formally approved by the COO Leadership Council.

The reform process depends on both Ontario and Canada securing the necessary mandates to participate in formal discussions. If these mandates are secured, reform will take place in two phases:

- **Phase 1 – Reformed 1965 Agreement:** This phase would focus on negotiating a new agreement. While Canada and Ontario would remain the only official signatories, COO's position is that the Reformed 1965 Agreement must be ratified by the Chiefs-in-Assembly before it is finalized.
  - This phase would introduce targeted reforms based on COO's 2022 proposal, such as requiring Ontario to design services to ensure substantive equality, recognizing the right of First Nations to opt out, and strengthening consultation provisions.
- **Phase 2 – Program-Specific Reform:** Once the new agreement is concluded, this phase would focus on transforming service delivery within the four program areas. It depends on commitments negotiated in Phase 1, such as Ontario's

obligation to uphold substantive equality and fund First Nations-led technical tables to guide discussions.

COO, NAN, and Canada plan to formally invite Ontario in September 2025 to start preliminary discussion.

Any further progress will depend on Ontario securing the necessary mandates. If Ontario agrees, discussions will be guided by the existing work plan, with opportunities for Ontario to provide input despite not being part of its original development.

### **Contact**

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