

Highlights – Federal Budget 2014

(text taken from the Budget Plan (<http://www.budget.gc.ca/2014/docs/plan/toc-tdm-eng.html>))

Summary

- Creating the new Canada First Research Excellence Fund with \$1.5 billion in funding over the next decade to help Canadian post-secondary institutions excel globally in research areas that create long-term economic advantages for Canada.
- Providing new funding of \$46 million per year for the granting councils to support advanced research and scientific discoveries, including the indirect costs of research.
- \$8 million over two years to Mitacs to expand its support for industrial research and training of postdoctoral fellows.
Federal funding for Mitacs programs will also be made available to eligible not-for-profit organizations with an economic orientation, in addition to currently eligible industrial partners.
- \$10 million over two years in support of social innovation research projects at colleges and polytechnics.
- \$3 million over three years to the Canadian Digital Media Network for the creation of the Open Data Institute, through the Federal Economic Development Agency for Southern Ontario.
- Economic Action Plan 2014 announces the Government's intention to refocus its Atlantic Canada-based innovation programs.
- Providing an additional \$500 million over two years to the Automotive Innovation Fund, to support significant new strategic research and development projects and long-term investments in the Canadian automotive sector.
- Economic Action Plan 2014 confirms significant new investments to support the implementation of a First Nations Control of First Nations Education Act.
- \$305 million over five years to extend and enhance access to high-speed broadband networks to a target speed of 5 megabits per second for up to an additional 280,000 Canadian households.



Details

Securing International Leadership in Science and Innovation

Economic Action Plan 2014 proposes to create the Canada First Research Excellence Fund with \$1.5 billion in funding over the next decade to help Canadian post-secondary institutions excel globally in research areas that create long-term economic advantages for Canada.

Federal investments in research and development have contributed significantly to Canada's strong performance in the fields of science and technology. But Canada cannot be complacent, as Canadian post-secondary institutions face significant competition from their counterparts in other countries for the best minds, partnership opportunities and breakthrough discoveries. Canada's ability to attract top research talent, innovators and enterprises requires its world-class institutions to be able to seize emerging opportunities and strategically advance their greatest strengths on the global stage.

Economic Action Plan 2014 proposes to create the Canada First Research Excellence Fund, which will help Canadian post-secondary research institutions leverage their key strengths into world-leading capabilities that will generate benefits for Canadians. Economic Action Plan 2014 proposes to provide the Canada First Research Excellence Fund with \$50 million in 2015–16, growing to \$100 million in 2016–17, \$150 million in 2017–18, and reaching a steady-state level of \$200 million annually in 2018–19 and beyond. Within the next decade, the Canada First Research Excellence Fund will provide an additional \$1.5 billion to advance the global research leadership of Canadian institutions.

The Canada First Research Excellence Fund will position Canada's postsecondary institutions to compete with the best in the world for talent and breakthrough discoveries, creating long-term economic advantages for Canada. The Canada First Research Excellence Fund, administered by the Social Sciences and Humanities Research Council on behalf of all the granting councils, will be available to all post-secondary institutions on a competitive, peer-reviewed basis. Further details on this initiative will be made available later this year.

Supporting Leading-Edge Research Through the Granting Councils

Economic Action Plan 2014 proposes to provide an additional \$46 million per year on an ongoing basis to the granting councils in support of advanced research and scientific discoveries, including the indirect costs of research.

Research undertaken at Canadian universities, colleges and other institutions has advanced scientific and social understanding. The creation of knowledge, application of scientific discoveries and development of highly qualified people bring social and economic benefits to all





Canadians. Economic Action Plan 2014 proposes to provide an additional \$46 million per year, starting in 2014–15 and on an ongoing basis, to the granting councils in support of advanced research and scientific discoveries. The new resources are allocated as follows:

- \$15 million per year to the Canadian Institutes of Health Research, for the expansion of the Strategy for Patient-Oriented Research, the creation of the Canadian Consortium on Neurodegeneration in Aging and other health research priorities.
- \$15 million per year to the Natural Sciences and Engineering Research Council, to support advanced research in the natural sciences and engineering.
- \$7 million per year for the Social Sciences and Humanities Research Council, to support advanced research in the social sciences and humanities.
- \$9 million per year for the Indirect Costs Program.

Enhancing Industry-Relevant Research Training

Economic Action Plan 2014 proposes to provide \$8 million over two years to Mitacs to expand its support for industrial research and training of postdoctoral fellows.

Mitacs is a leader in facilitating industry-academic research collaborations that help to prepare talented graduate students and postdoctoral fellows to become the next generation of innovators and research and development (R&D) managers. Mitacs' programming includes the Elevate initiative, which provides postdoctoral fellows with industry-relevant research experience and training. This type of training helps ensure that Canadian businesses have a highly qualified pool of managers to lead R&D activities and increase productivity. This kind of investment in training is key to job creation and economic growth and will help address an acute shortage of skills challenging the growth of Canadian businesses.

Economic Action Plan 2014 proposes to provide \$8 million over two years to Mitacs in order to expand its Elevate program. Going forward, Mitacs will become the single delivery agent of federal support for postdoctoral industrial R&D fellowships, as the Natural Sciences and Engineering Research Council's Industrial R&D Fellowships program will be wound down with its resources redeployed to other priorities within the Council, including basic discovery research. This consolidation of offerings is consistent with the Government's intent to streamline programs with similar objectives in order to reduce duplication and scale up the most successful approaches, in line with the recommendations of the Expert Panel Review of Federal Support to Research and Development.

Federal funding for Mitacs programs will also be made available to eligible not-for-profit organizations with an economic orientation, in addition to currently eligible industrial partners.





Fostering Social Innovation Through Research at Colleges and Polytechnics

Economic Action Plan 2014 proposes to provide \$10 million over two years in support of social innovation research projects at colleges and polytechnics.

Canadians benefit when community organizations are equipped with better tools and approaches for addressing society's needs in areas such as education, integration of vulnerable populations and community development. Colleges and polytechnics play an important role in this regard, given their strong linkages with communities across Canada. Economic Action Plan 2014 proposes to provide \$10 million over two years, starting in 2014–15, for a pilot initiative to connect the talent, facilities and capabilities of Canada's colleges and polytechnics with the research needs of local community organizations. This funding will be administered by the Social Sciences and Humanities Research Council.

Seizing the Opportunities of Open Data

Economic Action Plan 2014 proposes to provide \$3 million over three years to the Canadian Digital Media Network for the creation of the Open Data Institute, through the Federal Economic Development Agency for Southern Ontario.

Data are the 21st century's new natural resource. A rapidly increasing amount of data is being generated from a multiplicity of sources. Datasets are becoming so vast and diverse that a typical database would be insufficient to capture, store, manage and analyze them. With the rapid advancement of technology, it is now possible to work through such data to identify opportunities for new products and services, or new ways to operate more effectively and efficiently.

The release of information by governments for free use by citizens and businesses, known as Open Data, creates jobs by fuelling creativity, entrepreneurship and innovation. Open Data is a growing international movement. More than 40 countries, from every region of the world and at every stage of development, have established Open Data initiatives. These nations are opening up datasets that can promote economic development, spark innovation and help to find ways to make governments work better. In Canada, the Government is committed to leading Open Data initiatives focused on stimulating the digital economy with the free flow of useful and usable data. The Government is delivering on its Open Data commitments, outlined in Canada's Action Plan on Open Government, by:

- Ensuring the continued release of high-value datasets.
- Stimulating the “app” economy by supporting Open Data “appathons.”
- Encouraging the use of Open Data to raise productivity and create new products and services to benefit Canadians.





To help ensure that Canada captures the commercial opportunities presented by Open Data, Economic Action Plan 2014 proposes to provide \$3 million over three years, from the existing resources of the Federal Economic Development Agency for Southern Ontario, for the creation of the Open Data Institute, to be based in Waterloo, Ontario. The new Institute will play a role in aggregating large datasets, informing the development of interoperability standards, and catalyzing the development and commercialization of new data-driven apps. This initiative will be spearheaded by the Canadian Digital Media Network, a federally funded Centre of Excellence for Commercialization and Research, which provides support to Canadian companies and entrepreneurs in the information and communications technology sector and facilitates their collaboration with research institutes, governments and other organizations. The Government's support will lever additional contributions from the Institute's other partners, including Desire2Learn, OpenText Corporation, Communitex and the University of Waterloo.

Supporting Innovation in Atlantic Canada

Economic Action Plan 2014 announces the Government's intention to refocus its Atlantic Canada-based innovation programs.

Encouraging innovation is essential to economic growth and increased productivity in Atlantic Canada. The Government remains committed to supporting innovation and commercialization throughout the region and building on the success of the Atlantic Canada Opportunities Agency's work with businesses, universities and colleges. Over the next five years, the Atlantic Canada Opportunities Agency will provide approximately \$450 million to support innovation and commercialization under its current suite of programs, including the Atlantic Innovation Fund and the Business Development Program.

Over the coming year, the Government will refocus its innovation programs delivered through the Atlantic Canada Opportunities Agency to ensure that they are responsive to the needs of business, including small and medium-sized enterprises, and that they effectively support the development and commercialization of new ideas, technologies, products and services that lead to strong economic growth.

Securing a Competitive and Innovative Automotive Sector

Economic Action Plan 2014 proposes to provide an additional \$500 million over two years to the Automotive Innovation Fund, to support significant new strategic research and development projects and long-term investments in the Canadian automotive sector.

The automotive industry is among Canada's leading employers and exporters, and is a key contributor to our economy. It represented 10 per cent of manufacturing GDP and 14 per cent of





total merchandise exports in 2012. The sector also directly employs more than 115,000 Canadians in Southern Ontario and across Canada from automotive assembly to parts production. The Automotive Innovation Fund (AIF) provides repayable contributions to automotive firms that are undertaking strategic, large-scale research and development projects focused on new vehicle technologies. Established in Budget 2008, the AIF has provided commitments totalling up to \$316 million to six projects involving automotive assemblers and parts makers. This funding has leveraged commitments of up to \$2.3 billion in private sector investments.

Reforming First Nations K-12 Education

Economic Action Plan 2014 confirms significant new investments to support the implementation of a First Nations Control of First Nations Education Act.

Education is fundamental to ensuring full equality of opportunity and a share in Canada's prosperous future. The Government will work with its partners so that young First Nations people will have access to education systems on reserves comparable to provincial and territorial school systems. For this young and fast-growing population, this is a game-changer.

The *First Nations Control of First Nations Education Act* will establish the structures and standards necessary to ensure stronger, more accountable education systems on reserves and will result in better outcomes for First Nations students.

Economic Action Plan 2014 confirms core funding of \$1.25 billion from 2016–17 to 2018–19 in support of the *First Nations Control of First Nations Education Act*. When implemented, the legislation will provide stable and predictable statutory funding consistent with provincial education funding models.

In addition, Economic Action Plan 2014 confirms a new Enhanced Education Fund that will provide funding of \$160 million over four years starting in 2015–16. This funding will help to develop the partnerships and institutional structures required to implement the proposed legislation, including support for new First Nations education authorities.

New funding to build and renovate schools is also confirmed, with \$500 million over seven years beginning in 2015–16 for a new Education Infrastructure Fund. This represents a continuation of the investments in school infrastructure announced in Economic Action Plan 2012.

Taken together, these investments totalling over \$1.9 billion will support legislation to reform the on-reserve education system, providing First Nations children with access to a modern and accountable education regime that aligns with provincial education systems off reserve.





Improving Access to Broadband in Rural and Northern Communities

Economic Action Plan 2014 proposes to provide \$305 million over five years to extend and enhance access to high-speed broadband networks to a target speed of 5 megabits per second for up to an additional 280,000 Canadian households.

For most Canadians, access to affordable and reliable broadband networks is an important part of everyday life. The rapid evolution of technology, continuously changing user needs and the wide use of the internet require broader access to faster network speeds. Households in communities outside of urban centres commonly face challenges in accessing equivalent internet service levels due to factors such as remote location and challenging terrain.

In the 2013 Speech from the Throne, the Government committed to continue working to make high-speed broadband networks available for rural Canadians. Enhancing and extending access will create jobs, growth and prosperity for rural and Northern Canadians by increasing their ability to participate in the digital economy. Additionally, small and medium-sized businesses will benefit by having increased access to information and markets.

Working with other partners, the Government is supporting such access in a number of ways, including by making broadband projects eligible under the new Building Canada plan announced in Economic Action Plan 2013. In the Fall of 2013, the Minister of Industry also announced that the Government will only renew those wireless spectrum licenses intended to be used to provide high-speed internet access to rural Canadians if the companies holding the licenses are using them for that purpose. Those companies that have not used the spectrum will lose it and the Government will ensure Canadians benefit from additional quality spectrum being deployed across the country for high-speed internet services.

To keep pace with the needs of Canadians in rural and Northern communities, Economic Action Plan 2014 proposes to provide \$305 million over five years to extend and enhance broadband service to a target speed of 5 megabits per second for up to an additional 280,000 Canadian households, which represents near universal access. The Government will announce further details about the new program in the coming months.

