



Canadian Federal Budget – FY 2010

INNOVATION INVESTMENT SUMMARY

Prepared by: Robert Merson

Canada's federal budget, presented March 4, 2010, has been passed by the House of Commons. The 451 page document describes cuts to the public service and foreign aid, in addition to limited spending on the military and EI premiums. Stimulus programs continue, however little new money has been announced. The plan is to reduce the \$53.8B deficit to \$1.8B by 2015.

Despite aggressive cost cutting measures, new money for innovation has been provided. Post-doctoral training was highlighted as a key investment. Granting agencies and Genome Canada received additional funds. Innovation projects such as TRIUMF, NRC clusters, RADARSAT have received substantial investments. Regional development organizations have also received funding to support innovation and job creation across the country.

Excerpts on Innovation from the Canadian Federal Budget 2010

Compiled from budget (Source: Ministry of Finance, Budget 2010)

Budget 2010 makes targeted changes to improve Canada's productivity growth through innovation by:

- Providing \$45 million over five years to establish a post-doctoral fellowship program to help attract the research leaders of tomorrow to Canada.
- Delivering \$222 million in funding over five years to strengthen the world-leading research taking place at TRIUMF, Canada's premier national laboratory for nuclear and particle physics research.
- Increasing the combined annual budgets of Canada's research granting councils by an additional \$32 million per year, plus an additional \$8 million per year to the Indirect Costs of Research Program.
 - \$16 million CIHR
 - \$13 million NSERC (\$8M research and \$5M strategy for partnership and innovation)
 - \$3 million SSHRC
- Providing Genome Canada with an additional \$75 million for genomics research.
- Doubling the budget of the College and Community Innovation Program with an additional \$15 million per year.
- Providing \$135 million over two years to the National Research Council Canada's regional innovation clusters program.
- Providing \$48 million over two years for research, development and application of medical isotopes.
- Providing a total of \$497 million over five years to develop the RADARSAT Constellation Mission.
- Launching a new Small and Medium-sized Enterprise Innovation Commercialization Program with \$40 million over two years.
- Renewing and making ongoing \$49 million in annual funding for the regional development agencies to support innovation across Canada.



Canadian Federal Budget – FY 2010

Additional Investments in Innovation and Regional Development

- Budget 2010 provides \$9 million over two years to support the Rick Hansen Foundation, including the 25th anniversary of the Man in Motion Tour and the new Rick Hansen Institute. This funding will contribute to advancing knowledge and research that will improve the lives of people suffering from spinal cord injuries in Canada and abroad.
- Budget 2010 will provide \$8 million over two years to extend the International Science and Technology Partnerships Program (ISTPP). The ISTPP was launched to promote collaborative research and development activities with international partners such as India, China and Brazil. As a “seed fund,” the ISTPP helps to foster strategic international partnerships that accelerate the commercialization of research and development, leading to new market opportunities for Canadian businesses, particularly small and medium-sized enterprises.
- Budget 2010 will provide ACOA with \$19 million per year, ongoing starting in 2010–11. This funding will allow the agency to extend the Atlantic Innovation Fund, a competitively allocated initiative that helps regional businesses, universities and research institutions to develop and commercialize new technologies, builds research capacity and encourages the creation of research and development partnerships. The funding will also support ACOA’s Innovative Communities Fund, which will help Atlantic communities adapt to new economic realities and opportunities. Through these programs and additional funding raised from other private and public sources, ACOA will help to create jobs, strengthen community infrastructure and accelerate business growth in Atlantic Canada.
- Canada Economic Development for Quebec Regions (CEDQ) is supporting the long-term economic development of the regions of Quebec, with special attention to helping vulnerable communities to diversify their economies and become more knowledge-based. Budget 2010 will provide CEDQ with \$14.6 million per year, ongoing starting in 2010–11, to increase the vitality of communities and help small and medium-sized businesses and communities to enhance their competitiveness. This funding will play a key role in ensuring that communities in all areas of Quebec can fully participate in the economy of tomorrow and benefit from a higher quality of life.
- Western Economic Diversification Canada (WD) is successfully promoting economic growth and diversification throughout Manitoba, Saskatchewan, Alberta and British Columbia. WD is focusing on supporting projects that strategically position western businesses to grow, innovate, compete and create jobs in the knowledge-based economy. Budget 2010 will provide WD with \$14.7 million per year, ongoing starting in 2010–11, for activities to support commercialization, enhance global competitiveness and drive economic growth and development in communities. WD will undertake initiatives to promote research and development capabilities and help communities and businesses in Western Canada take advantage of domestic and international opportunities. WD will also work to foster federal-provincial-municipal economic development partnerships in urban, rural and northern communities.
- Canada’s Economic Action Plan announced the \$500-million Agricultural Flexibility Fund. (No new funding announced in 2010 Budget). To date, \$219 million has been committed to multi-year initiatives. A total of \$10 million is expected to be spent in 2009–10, and to date \$52 million has been committed to be spent in 2010–11.
- \$285 million over two years for Aboriginal Health programs in 5 priority areas: the Aboriginal Diabetes Initiative; the Aboriginal Youth Suicide Prevention Strategy; maternal and child health; the Aboriginal Health Human Resources Initiative; and the Aboriginal Health Transition Fund.



Canadian Federal Budget – FY 2010

Summary Investment Table (3.3.1 from Budget)

Building on a Strong Economic Foundation

	2009–10	2010–11	2011–12	Total
(millions of dollars)				
Jobs Protection and Youth Employment Measures				
Work-sharing		101	5	106
Building skills for youth				
Youth internships		30		30
Canadian Youth Business Foundation	10			10
Youth at risk		30		30
Pathways to Education Canada		2	6	8
Better education outcomes for First Nations		15	15	30
Subtotal—Jobs Protection and Youth Employment Measures	10	178	26	214
Creating Economic Growth and Jobs Through Innovation				
Creating a more highly skilled workforce		5	10	15
World-leading research infrastructure				
Canadian High Arctic Research Station		1	2	3
TRIUMF		25	25	51
Supporting advanced research				
The research granting councils		32	32	64
Indirect costs of research		8	8	16
Genome Canada	75			75
Rick Hansen Foundation		5	5	9
Knowledge transfer and commercialization				
Supporting college innovation		15	15	30
National Research Council Canada regional innovation clusters		68	67	135
Diversifying the supply of medical isotopes		19	29	48
Canadian Space Agency		5	18	23
Promoting innovation by small and medium-sized businesses		15	25	40
International Science and Technology Partnerships		4	4	8
Supporting regional innovation				
Atlantic Canada Opportunities Agency		19	19	38



Canadian Federal Budget – FY 2010

Table 3.3.1 (cont'd)

Building on a Strong Economic Foundation

	2009-10	2010-11	2011-12	Total
(millions of dollars)				
Creating Economic Growth and Jobs through Innovation (cont'd)				
Canada Economic Development for Quebec Regions		15	15	29
Western Economic Diversification Canada		15	15	29
Subtotal—Creating Economic Growth and Jobs through Innovation	75	251	288	613

For additional information about funding for innovation in Canada, contact:

Robert Merson, Management Consultant

T : 416-669-0159

E: rmerson@mersoncorp.com

W: www.mersoncorp.com/mci

