Recap of Federal Budget

Federal Finance Minister Jim Flaherty presented Economic Action Plan 2012 – Jobs, Growth and Long-Term Prosperity to the House of Commons on March 29th. Budget 2012 included a number of items of importance for the University of Manitoba.

RESEARCH AND INNOVATION

Budget 2012 made a solid commitment to research and innovation including:

• $37 million per year for the research granting councils to enhance their support for industry-academic research partnerships, the same financial support received in last year’s budget
• $500 million over five years, starting in 2014-15, to the Canada Foundation for Innovation (CFI) to support advanced research infrastructure
• An additional $60 million to Genome Canada to launch a new applied research competition in the area of human health, and to sustain the Science and Technology Centres until 2014-15
• $40 million over two years to support CANARIE’s operation of Canada’s ultra-high speed research network
• $35 million over five years to NSERC to support excellence in climate and atmospheric research to be undertaken at Canadian post-secondary institutions
• $23 million over two years to Natural Resources Canada to enhance satellite data reception capacity
• $17 million over two years to further advance the development of alternatives to existing isotope production technologies
• $10 million over two years to the Canadian Institute for Advanced Research to link Canadians to global research networks
• $6.5 million over three years for a research project at McMaster University to evaluate team-based approaches to health care delivery

SUPPORT FOR TECHNOLOGY COMMERCIALIZATION

Budget 2012 also contained measures to enhance support for high-potential research collaborations between businesses and researchers through the following:

• $400 million to help increase private sector investments in early-stage risk capital, and to support the creation of large-scale venture capital funds led by the private sector
• $100 million to the Business Development Bank of Canada to support its venture capital activities
• $110 million per year to the National Research Council to double support to companies through the Industrial Research Assistance Program
• $24 million over two years and $12 million per year thereafter, to make the Business-Led Networks of Centres of Excellence program permanent
• $95 million over three years, starting in 2013-14, and $40 million per year thereafter to make the Canadian Innovation Commercialization Program permanent and to add a military procurement component
Hansard Newsletter
External Relations - Government and Community Engagement

April 2012

- $67 million for the National Research Council in 2012-13 as a transition fund to concentrate on new business-led, industry-relevant research.
- Streamlining of the Scientific Research and Experimental Development tax incentive program, including reducing the rate on contract research from 100% to 80%, and a government commitment of $4 million in 2012-13 and $2 million in 2013-14 to implement changes to the administration of the program

SUPPORTING ABORIGINAL EDUCATION AND TRAINING

Budget 2012 also prioritized Aboriginal education and training, committing to introduce a First Nation Education Act to be in place by September 2014. This is to establish standards and structures for strong educational systems on reserves. In addition:

- $275 million over three years to support First Nations education on reserve. This is a shared priority with Canada’s universities
- $100 million over three years for First Nations education to provide early literacy programming and to strengthen their relationships with provincial school systems
- $27 million over two years to renew the Urban Aboriginal Strategy
- $330.8 million over two years to build and renovate water infrastructure and to support a long-term strategy to improve water quality in First Nations communities

OTHER MEASURES

Budget 2012 also:

- Makes investments in leading-edge research infrastructure, including establishing a world-class High Arctic Research Station in Cambridge Bay, continued participation in the International Space Station mission to 2020, and $23 million over two years to Natural Resources Canada for new satellite data reception facilities and the development of a data management system
- Double the resources of the Industrial Research and Development Internship program by committing $14M over two years, with the new funding administered by Mitacs
- Provides an additional $50 million over two years to assist more young people in gaining tangible skills and experience
- Supports further improvements to the foreign credential recognition program and work with the provinces to identify the next set of target occupations for inclusion under the Pan-Canadian Framework for the Assessment and Recognition of Foreign Qualifications
- Begins acting on the Jenkins Report recommendations by announcing $1.1 billion over five years for direct research and development support and making $500 million available for venture capital
- Cuts 19,200 positions in the federal public service with the biggest cuts being Agriculture (9 per cent), Health Canada (5.7 per cent), Canadian Heritage (5.6 per cent), National Defence (5.5 per cent) and the CRA (5.1 per cent)

Budget 2012 Reactions

Association of Universities and Colleges of Canada
AUCC welcomed continued funding of SSHRC, NSERC and CIHR, an additional $500 million over 5 years for CFI, and $275 million for on-reserve First Nations education in this year’s budget. “The government showed leadership by continuing its investments in research, innovation, research infrastructure and university-private sector collaborations.”

The Association of Canadian Community Colleges and Polytechnics Canada
ACCC welcome the funding allocated to the Canada Foundation for Innovation’s College-Industry Innovation Fund. ACCC says new investments to support First Nations on-reserve elementary and secondary education will ultimately increase participation rates in higher education.

The Canadian Federation of Students
CFS criticizes the budget for not containing any student aid measures to offset students’ rising debt loads.

Canadian Association of University Teachers
CAUT cautioned that an emphasis on commercial research, rather than pure scientific inquiry, “will stifle rather than promote growth and scientific advancement,” and expressed concern about $9.6 million cut from Library and Archives Canada.

Canadian Association of Graduate Students
CAGS was pleased with a number of commitments in Budget 2012 including investments in research, education and training and new funding for universities and granting councils.

BIOTECanada
Canada’s biotech industry was pleased to see the proposed $400 million to support the creation of new large scale VC funds, $100 million for the Business Development Bank of Canada for VC activities, and the Industrial Research Assistance Program being doubled to $110 annually. The biotech industry was also pleased to see SR&ED remain based on more than labour costs and the refundability rate remains at 35 percent.

Information Technology Association of Canada
ITAC highlighted a number of Budget 2012 commitments, including the implementation of some of the Jenkins Report recommendations as well as the $500M in direct investment in research and development.

Government and Community Engagement will be continuing to analyze the 2012 Budget as additional information rolls out in coming days and weeks.