



Budget 2007- Presented March 19, 2007

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Overview:

Budget 2007 builds directly from "Advantage Canada – Building a Strong Economy for Canada" (<http://www.fin.gc.ca/news06/06-069e.html>) released last fall. The focus continues on tax relief, fiscal balance, business, the knowledge sector and building infrastructure. Further initiatives regarding the environment and public safety are also included. Should the Government be successful in gaining approval for the Budget, the initiatives bode well for the research community. The Budget documents are available in various formats (<http://www.budget.gc.ca/2007/bp/bptoce.html>).

Science and Technology:

The Budget "Delivers science and technology investments that complement significant new investments in post-secondary education, and that will sustain Canada's leadership in primary research and help commercialize knowledge by better aligning research investments with the needs of businesses."

The Government will shortly be releasing "a comprehensive and forward-looking science and technology strategy. The strategy will outline a multi-year framework for action."

Granting agencies:

- The granting councils received increases in targetted funding – for instance, NSERC received \$37 million to be directed towards energy and environmental research and information and communication technology. CIHR received the same and SSHRC \$11 million targetted to research in management, business and finance. Efforts will be made to strengthen the governance of the councils and collaboration in managing targetted funding. NSERC will receive \$48 million over 5 years to support the College and Community Innovation Program.
- The Government has committed \$510 million to CFI to undertake another major competition before 2010, \$120 million to Canarie Inc to support CA*net over the next 5 years and \$10 million over the next 2 years to the Canadian Institute for Advanced Research to support research at the international level.
- Genome Canada will receive an additional \$100 million to extend promising research projects and their genome centres.

Post-Secondary Education:

- A significant shift in Federal-Provincial Transfer payments provides for the investment of an additional \$800 million per year beginning in 2008-09 and growing at 3% per year to strengthen the quality and competitiveness of the Canada's post-secondary education system. CFBS would encourage the Government to ensure the implementation of an effective accountability mechanism to monitor the spending of these funds in the university and college sectors. When the Government's intent to focus more on areas that are clearly within the Federal mandate, this suggests that more responsibility will be placed on provinces. An additional \$15 million per year will be advanced to cover indirect costs of research including the operation and maintenance of research facilities.

Graduate Student support:

- Graduate student aid will increase by \$35 million over two years and \$27 million per year thereafter through the Canada Graduate Scholarships. The additional support for 1,000 graduate students will be handled by the granting councils (CIHR-400, NSERC-400 and SSHRC-200). As well, there are a number of changes to registered education savings plans that should be helpful. \$2 million over the next 2 years will be devoted to an international education marketing campaign to attract talented students to Canada.

Centres of Excellence:

- \$350 million will support the current Perimeter Institute for Theoretical Physics at Waterloo and seven additional Centres of Excellence in Commercialization and Research over the next two years and provide for support for competitions under this program. New life science oriented centres include the UBC Brain Research Centre, the Canada School of Sustainable Energy in Alberta, the Li Ka Shing Knowledge Institute in Montreal, the Heart and Stroke Foundation for Stroke Recovery, the Montreal Neurological Institute and the Life Science Research Institute in Halifax. The centres are expected to raise matching funds from other sources.

Other:

- The Scientific Research and Education tax incentive will be reviewed to further encourage R&D within the business sector.
- \$6 million has been committed in 2008-09 to the transfer of the management of federal non-regulatory laboratories to universities as per the already announced transfer of Natural Resources Canada's CANMET Materials Laboratory to McMaster. An independent expert panel will be established to advise on other such options.
- A \$22-million-per-year increase is provided "to help the Canadian Institute for Health Information build on its reputation as a world leader in providing timely, accurate and comparable health information that supports improved health delivery outcomes."

Environment:

- Commit to identifying additional measures to promote promising new clean energy technologies like carbon capture and storage.
- \$19 million to advance the health of the oceans and support greater water pollution prevention, surveillance and enforcement along Canada's coasts.
- \$39 million for fisheries science research programs to strengthen management and conservation.
- \$324 million over 10 years to the Canadian Coast Guard for six new large vessels to support its role in fisheries science and enforcement.
- \$10 million over two years to conserve ecologically important lands in the Northwest Territories, which will protect an important part of our boreal forest and build on the agreement to work towards permanently protecting a National Historic site the size of Prince Edward Island.
- \$110 million over two years for more effective implementation of the Species at Risk Act.

Clarifying Roles and Responsibilities

Budget 2007 also confirms the intent of the Government to clarify roles and responsibilities of the various levels of government through:

- **"Federal/shared responsibility:** Focused spending in areas of core federal responsibility. Refers to new spending in areas that are considered core federal responsibility, including defence, international assistance, **national parks** and public security, and in areas of shared priority, such as **agriculture, environment, health care** and **immigration**.
- **Restoring fiscal balance/funding to provinces and territories:** Refers to new funding that is being provided to provinces and territories. This includes additional funding for Equalization and Territorial Formula Financing, as well as support for shared and provincial-territorial responsibilities, such as **post-secondary education**, early childhood development, child care, social services, infrastructure, labour market training and modernizing the health care system."