House of Commons
Chambre des communes
Canada

House of Commons Standing Committee on Finance – Pre-budget Consultations 2013

This brief is submitted by:

(•) **an organization** **Organization name:** The University of British Columbia

or

( ) **an individual** **Name:** _____

Topic: Innovation and commercialization

*Recommendation 1: Please provide a short summary of your recommendation.

We recommend the creation of a national Excellence Fund to increase the presence, competitiveness and contribution of Canadian universities in the top international league of universities. The Fund will incrementally and strategically build on the best of Canada's research talent, scholarship, innovation and graduate programs, and on existing competitive programs. The Fund will secure a permanent legacy of innovation and create momentum for our strongest institutions to attract new talent, grow Canada's innovation pipeline with new discoveries and cultivate a leading innovation economy.

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

$100 million -$499.9 million

5 or more years

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

Over the past several years, UBC has acknowledged the fiscal constraints faced by the federal government and has sought to provide cost-neutral recommendations to improve Canada's innovation ecosystem. While resources for this fund could be garnered from the recalibrated NRC or the review of the SRED tax credit, we believe new monies will need to be marshalled for this Fund. Given ongoing fiscal constraints, the Fund could be built over a 4-year period, beginning at $100M and growing to $400M.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

Supporting global leadership among our research institutions benefits all Canadians. While the Fund supports researchers at these institutions, their work has a direct benefit to the socio-economic wellbeing of Canadians and Canadian industry in numerous sectors including life sciences, healthcare, natural resources, manufacturing and ICT. Recipient institutions lead the country in tech transfer, important medical discoveries and the ability to draw talented professionals from around the world. The ability to build on this success will have real and a lasting impact throughout the country.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

The capacity of nations to discover and innovate has become a key competitive advantage in the global economy. Internationally recognized research institutions play a pivotal role in creating and sustaining that innovation capacity. This Fund will build Canada's reputation as a destination and home for innovators, for research talent and for cutting edge discovery. In so doing, the Excellence Fund will directly support the Canadian economy's ability to thrive amidst increasing competition. And a thriving Canadian economy benefits all Canadians.

Topic: Innovation and commercialization

Recommendation 2: Please provide a short summary of your recommendation.

Successive governments have underscored their commitment to world-class research, innovation and technology development by supporting the Canada Foundation for Innovation (CFI). Maintaining the momentum built through the CFI is vital for advancing Canada's social and economic growth. CFI-funded infrastructure is instrumental for Canada's research institutes to build, equip and renew the facilities required to carry out cutting edge discovery, develop and attract top Canadian and international talent, and support industrial innovation and growth to better the lives of Canadians.

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

≤$499,999

2 years

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

We recommend that government maintain its support of CFI by signalling a commitment to provide stable and consistent funding with new disbursements beginning in Budget 2016. Maintaining the level of funding that government has provided since its inception will be vital in the coming years. Moreover, CFI funding helps institutions leverage investment from other levels of government, foundations, and industry. Federal investment in research and development infrastructure pays dividends in terms of economic growth and ultimately leads to financial returns to government.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

Industry, employees, students and the public at large are direct beneficiaries of leading-edge discovery and innovation supported by the CFI. Industry, particularly in high-tech, bio-tech, aerospace, natural resource and medical sectors, frequently makes use of and partners with CFI-funded research facilities to help businesses innovate and grow. For example, a UBC partner, the Vancouver Prostate Centre, has developed treatment technologies and drugs resulting in 3 spin-off companies, 6 products licensed to industry, and the attraction of over $100 million of private capital investment.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

CFI helps maintain and advance a vibrant innovation ecosystem in Canada, with research and technologies produced as a result of CFI support helping to grow the Canadian economy, create jobs, train highly skilled individuals, and keep Canada globally competitive. CFI supported discoveries like those in medicine, industrial processes and advanced materials breakthroughs are improving the lives of all Canadians. UBC's Brain Research Centre, for example, is pioneering new treatments and cures for patients affected by brain diseases and injury, such as Alzheimer's, Parkinson's, and concussions.

Topic: Innovation and commercialization

Recommendation 3: Please provide a short summary of your recommendation.

The government's ongoing commitment to funding the three federal granting councils provides the basis of all research funding in Canada. UBC encourages the government to stay the course in this foundational support. Maintaining the $37 million per year increase for NSERC, CIHR, and SSHRC first set out in Budget 2011 and allowing granting councils greater flexibility in identifying funding priorities will send a signal to Canadians that support for innovation and research remains an essential item in the government's toolbox for growing the economy.

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

≤$499,999

2 years

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

Based on existing plans, maintaining support for the granting councils would require no additional new funding in Budget 2014. While Budget 2013 indicated that the $37 million to be reinvested into the councils in 2014-15 would be directed towards strengthening research partnerships between post-secondary institutions and industry, UBC recommends that the funding be delivered on a non-targeted basis. It is important that the councils direct funding toward projects with the most promising results, including those in fundamental research, which is the lifeline of a vibrant innovation ecosystem.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

Federal support for the granting councils benefits Canada's entire innovation ecosystem, and is fundamental to our ability to increase new discoveries in S&T, natural resources, healthcare, and the social sciences. These discoveries translate into quality of life improvements for individual Canadians and economic growth. Recent examples at UBC range from a CIHR-funded study which identified new treatments for drug-resistant strains of the flu to a new, internationally recognized and financially lucrative process turning sewage into valuable fertilizer by extracting phosphorous.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

As Prime Minister Harper has noted, "science powers commerce." The government's commitment to ongoing support for the granting councils will maintain Canada's ability to further advanced research and commercialize technological developments, while continuing to develop and attract highly talented individuals whose innovative ideas will drive Canada's knowledge economy in the future. UBC encourages the government to stay the course on support for the granting councils to help achieve these objectives.

Please use this page if you wish to provide more explanation about your recommendation(s).

The goal of the Excellence Fund is an ambitious one – realize a sustained presence of Canadian research-intensive universities in the top league of universities in the world, and, in doing so, solidify Canada's position among 'innovation nations'.

More than 100 Canadian public universities together contribute talent, education, knowledge generation and service. At the same time, only a small number of Canadian universities are recognized internationally and contribute to Canada's reputation and impact on the world stage. Canada's global successes are not as significant as they can, or should, be. For example, Canada has not won a home-grown Nobel Prize in decades – while competitor jurisdictions like Australia, the UK and Israel, not to mention the USA, have won numerous Nobels.

As we are struggling to improve our international brand our competitors are upping their game. Up and coming countries like China and Brazil, and developed countries like Germany, Japan and the USA are rethinking the mechanisms through which they fund their universities to best acknowledge top performance. In many cases, there is a concerted national effort to propel the most research-performing and research-intensive universities into a sustained global presence and to advance purposefully the competitiveness of talent, discoveries and influential networks that are resident in or associated with such institutions. They are doing it by running open, merit-based competitions to spur individuals and teams; fostering institutional differentiation.

World class R&D within a vibrant innovation ecosystem is critical to Canada's ability to sustaining our nation's competitiveness and globally significant research universities are a key to that research. Earlier this year CD Howe released a report noting that universities with the strongest academic performance typically produce most of the country's technology transfer. Importantly, the ideas (including intellectual property) that come out of these leading institutions have been the origin of countless enterprises.

As well, these institutions attract the talent we need to continue to drive a vibrant Canadian economy. According to the same CD Howe report, the overarching priority for Canada should be to attract the best researchers in the world. The world's best researchers come to universities with the strongest reputation and we need to support that excellence.

The Excellence Fund would rest on four cornerstones: measureable excellence; thresholds derived with attention to ROI; a multi-year phase-in of performance driven base-budget investment; and, institution-specific accountability.

The Fund would create an environment where cutting edge research can be engaged to the benefit of Canadians and the world at large. Canada needs federal leadership to secure the competitive positioning of Canada's research-intensive universities and we believe the Excellence Fund is the legacy initiative to do so.

*Please note that at least one recommendation must be provided