

# CANADA'S INNOVATION AND SKILLS PLAN

*Budget 2017 comes at a time of tremendous change and opportunity.*

*Around the world, people are embracing innovation and the opportunities it brings—opportunities to rethink everything from how we manage the demands of our daily lives, to how we build our cities and grow our economy.*

*To lead the world in innovation, we need to equip Canada's workers with the tools they'll need to succeed in the new economy. In Budget 2017, Canada introduces its Innovation and Skills Plan: a plan that focuses on people and addresses the changing nature of the economy to ensure it works for all Canadians. It is an agenda to build Canada as a world-leading innovation economy that will create jobs and grow the middle class.*

*Canada has always been strengthened by its rich natural resources, but it is equally blessed with a smart, diverse, creative, hard-working and well-educated population. The Innovation and Skills Plan focuses fundamentally on people. Innovative products, ideas or services only become real because of the creativity, work ethic and skill of the people who create them. This applies to all sectors of the economy.*

*Our country is uniquely placed to take advantage of the tremendous change that lies ahead. To do so, we will need to build the world's most skilled, talented, creative and diverse workforce. By positioning Canada as a leader in the global economy—in sectors such as advanced manufacturing, agri-food, clean technology, digital industries, health/bio-sciences and clean resources—Canada will create resilient jobs and sustainable economic growth for years to come.*

## SKILLS

### LIFELONG LEARNING

Innovation starts with skilled, talented and creative people. Canada is already home to one of the best-educated workforces in the world, but in an increasingly competitive global economy, more needs to be done to ensure that Canadians can learn, adapt and have good jobs throughout their working lives.

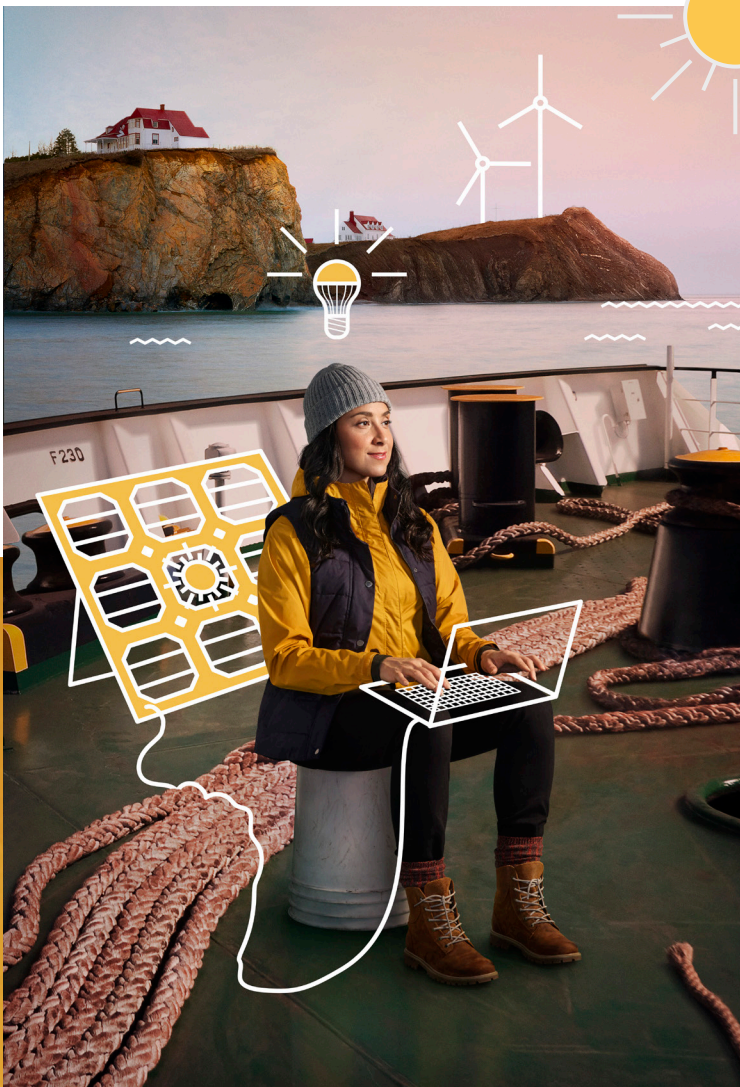
### SUPPORTING WORKING CANADIANS

To help more unemployed and underemployed Canadians access the training and employment supports they need to find and keep good jobs in the new economy, Budget 2017 significantly boosts federal support through the Labour Market Transfer Agreements by \$2.7 billion over six years. For Canadians looking for work, this means more opportunities to upgrade their skills, gain experience or get help to start their own business. It also means more support, like employment counselling, to help them plan their careers. These investments are part of a major initiative the Government is taking in partnership with provinces and territories to modernize the way training and employment supports are funded—to increase access, improve outcomes and make the system simpler, more flexible and responsive to the needs of Canadians.

In addition to this investment, the Government will also establish a new organization which, in collaboration with willing provinces and territories and other stakeholders, will identify skill gaps with employers, explore new and innovative approaches to skills development and share information so that Canadians are well equipped for opportunities in the new economy.

### HELPING ADULTS RETURN TO SCHOOL

Adult students can face challenges to pursue learning—not only because of the cost of education itself but also because of the financial pressures of supporting families, maintaining their homes and balancing the pressures of work and school. To recognize the



**“Canadian workers face a rapidly changing economy which will have a profound impact on the nature of work and jobs of the future. To be equipped for this change, there is a critical need for Canada to rethink our approach to learning, work, and training.”**

— Advisory Council on Economic Growth

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challenges faced by adult learners and better help those working hard to join the middle class, Budget 2017 will expand eligibility for Canada Student Grants for part-time students as well as those with dependent children. In addition, the Government will launch a new pilot project, investing nearly \$300 million over three years, to develop and test new approaches to make it easier for adults who wish to return to school after having spent several years in the workforce to qualify for student financial assistance. Final program details for the pilot project will be developed and confirmed over the coming year, for launch in the 2018-19 academic year.

Taken together, these changes mean more non-repayable assistance for adult workers to help them manage the high cost of post-secondary education while balancing the financial pressures associated with raising a family. As a result, around 10,000 part-time students will become newly eligible for Canada Student Loans and Grants each year, and an estimated 13,000 students with dependants will become newly eligible for Canada Student Grants each year. These measures are expected to benefit Canadian women in particular, who often strive to improve their career prospects while balancing family responsibilities.

## **NEW SKILLS THROUGH EMPLOYMENT INSURANCE**

Job training is often one of the most effective ways to ensure that someone who is unemployed gets hired into a better-paying and more stable job. Yet, sometimes the pressure to find a new job as quickly as possible can actually undermine this longer-term success. To help more unemployed Canadians receiving Employment Insurance (EI) get the training they need to get a good, well-paying job, Budget 2017 will ensure the EI program better leverages existing flexibilities so that Canadians can pursue training and maintain their EI status. For unemployed workers receiving EI, this means that they can return to school to get the training they need to find a new job—without fear of losing the EI benefits they need to support themselves and their families. This will provide greater security to Canadian families at a time when they need help most.

## **AN AMBITIOUS APPROACH TO WORK-INTEGRATED LEARNING**

Co-operative education and work-integrated learning programs are a proven way for students to get the work experience they need to build their résumés and build a network of professional contacts.

Budget 2017 will support an ambitious goal of providing 10,000 work-integrated learning placements through Mitacs for Canadian post-secondary students and graduates each year—up from the current level of around 3,750 placements. Budget 2017 will provide \$221 million over five years, starting in 2017-18, to achieve this goal and provide relevant work experience to Canadian students.

## **TEACHING KIDS DIGITAL SKILLS AND CODING**

To ensure that young Canadians are well prepared for the way digital technologies will impact future jobs all across the labour market, Budget 2017 will invest \$50 million over two years to support organizations delivering digital skills training to girls and boys from kindergarten to grade 12.

## **INNOVATION**

To help Canada realize its potential as a global leader in innovation, the Government must ensure that its services best meet the needs of Canada's innovators and job creators.

Budget 2017's Innovation and Skills Plan advances an agenda to make Canada a world-leading centre for innovation, to help create more good, well-paying jobs, and help strengthen and grow the middle class.

## **SUPPORTING CANADIAN INNOVATORS**

Budget 2017 proposes to establish Innovation Canada, a new platform that will help to consolidate and simplify dozens of innovation programs situated across many departments. This will make it easier for Canadian innovators to access and benefit from Government-led innovation programs, reducing legwork and paperwork, providing more timely and relevant access to services, and ultimately putting more money in the hands of Canadian innovators to grow

their businesses and create jobs. The Government will initiate a whole-of-government review of business innovation programs to ensure they are effectively geared to support Canada's innovators in turning their ideas into thriving businesses.

## **ACCELERATING INNOVATION THROUGH SUPERCLUSTERS**

Clusters—dense areas of business activity that contain large and small companies, post-secondary institutions and specialized talent and infrastructure—energize economies and act as engines of growth. They create jobs, encourage knowledge sharing, drive business specialization and help to attract “anchor” companies from around the world. Successful clusters like the ones in Silicon Valley, Berlin, Tel Aviv and the Toronto-Waterloo corridor contribute significantly to both regional and national economies.

Budget 2017 proposes to invest up to \$950 million over five years, starting in 2017-18, to be provided on a competitive basis in support of a small number of business-led innovation superclusters that have the greatest potential to accelerate economic growth. The competition will launch in 2017 and focus on superclusters that enhance Canada's global competitiveness by focusing on highly innovative industries such as clean technology, advanced manufacturing, digital technology, health/bio-sciences, clean resources and agri-food, as well as infrastructure and transportation.

## **SUPPORTING CANADIAN INNOVATORS THROUGH VENTURE CAPITAL**

To support the continued growth of Canada's innovative companies, Budget 2017 proposes to make available up to an additional \$400 million through the Business Development Bank of Canada on a cash basis over three years, beginning in 2017-18, for a new Venture Capital Catalyst Initiative that will increase late-stage venture capital available to Canadian entrepreneurs (late-stage venture capital is typically offered to young, established businesses with sales and revenue, in order to help the businesses grow).

With funds leveraged from the private sector, and depending on the proposals received, this investment could inject around \$1.5 billion into Canada's innovation capital market.

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## CANADA'S CLEAN TECHNOLOGY ADVANTAGE

The global market for clean technology has surpassed \$1 trillion per year and will continue to grow over the next decade. As the world increasingly seeks out more sustainable and renewable sources of energy, and new technologies to improve the quality of air and water, Canadian companies can lead the way. Our clean technology companies are well positioned to compete and win in this large and growing global market.

Through its participation in Mission Innovation, Canada has committed to double its investments in clean energy research, development and demonstration over the next five years. The investments

announced in Budget 2017 support this commitment, and will help Canada to reduce carbon pollution while creating good, well-paying jobs in communities all across Canada.

## SUPPORTING INNOVATION IN KEY GROWTH INDUSTRIES

The global economy is becoming increasingly digital, and the world is moving towards more sustainable ways of feeding people and providing energy to those who need it. Budget 2017 supports innovation in key growth industries—clean technology, digital and agri-food—with new measures that will improve access to financing, encourage investment, support the demonstration of technologies and build the capacity necessary for Canadians

to take advantage of growth opportunities and create good, well-paying jobs.

Budget 2017 includes a particular focus on the clean technology sector, proposing more than \$2.2 billion, on a cash basis, to support clean technology research, development, demonstration and adoption as well as to accelerate the growth of clean technology companies. This includes making available nearly \$1.4 billion in new financing on a cash basis over three years, starting in 2017-18, through the Business Development Bank of Canada and Export Development Canada.

## ENHANCED CANADA STUDENT LOANS AND GRANTS

Selena is a single parent of an 8-year-old son. She lives in Lethbridge, Alberta, where she works as an administrative assistant and earns a pre-tax income of \$35,000 per year. Selena is considering enrolling in a part-time Business Administration program at Lethbridge College—the program would allow her to upgrade her qualifications, while continuing to work and care for her son.

In 2016-17, Selena would have been eligible for a Canada Student Loan of up to \$10,000, but would not have qualified for the Canada Student Grant for Part-Time Studies.

Beginning in the 2018-19 academic year, the eligibility for part-time grants will be expanded. In addition to student loans, Selena will be eligible to receive an \$1,800 Canada Student Grant for Part-Time Studies, as well as \$1,360 in grant funding for students with dependent children. This will give Selena a total of \$3,160 in non-repayable Canada Student Grants to help with the cost of her studies.

