



Cultivating Competitiveness: Helping Canadians Succeed Report of the Standing Committee on Finance

Summary of Health Research and Innovation Recommendations

In June 2018, the **House of Commons Standing Committee on Finance (FINA)** launched its pre-budget consultations in advance of the 2019 budget, inviting Canadians to share their ideas for the next federal budget under the theme of *Economic Growth: Ensuring Canada's Competitiveness*. Over the course of several months, the Committee held 15 meetings in Ottawa and across Canada, hearing from over 650 businesses, not-for-profits and individuals both in-person and through written responses.

This report, titled *Cultivating Competitiveness: Helping Canadians Succeed*, presents a synopsis of the issues presented by Canadians throughout the pre-budget consultations, along with the Committee's recommendations for the 2019 budget. Its recommendations are contextualized within the current state of the Canadian economy and examines Canada's main competitive strengths and weaknesses compared to the other Group of Seven (G7) countries.

The full report of the Standing Committee on Finance can be found [here](#).

The following is a summary of the issues and recommendations pertaining to the health research and health innovation sector.

Chapter Two: An Enabling Economic Environment

Chapter Two presents Canadians' ideas about how the government can create an enabling economic environment. This includes ways to improve the framework for federal spending and to support trade.

As indicated by the World Economic Forum (WEF) *2018 Global Competitiveness Report*, there are a number of factors that can help to develop an economic environment that enables businesses to develop and increase productivity, which is a key driver for improving living standards over the long term. These factors include funding infrastructure that leads to healthy and flourishing communities and incentivizing innovation and the creation of technology and knowledge.

During its pre-budget consultations, the Committee heard a wide range of proposals from witnesses that would, in their view, lead to an economic environment that allows Canada to be more competitive and productive, focusing on the federal fiscal framework, trade, and infrastructure.

Recommendation 2: In relation to the current federal self-government fiscal policy as it relates to First Nations, Inuit and Métis, provide additional funds for governance, land and resources, and close the socio-economic and infrastructure gap.

Chapter Four: An Innovative Economy

Chapter Four highlights Canadians' suggestions about innovation. They shared their ideas for funding research and development (R&D) and commercializing Canadian innovation and technology. In addition, the Committee heard proposals to help businesses, individuals and communities become more creative and innovative. Canadians also suggested ways to support innovation in certain sectors.

WEF's *2018 Global Competitiveness Report* ranked Canada 13th of 140 countries in terms of innovation capability, earning a score of "fairly innovative" but trailing the United States and other leading innovation countries. However, Canada tops the market in regard to workforce diversity, its research environment, and its record of international collaboration on patents and inventions.

Throughout consultations, the Committee heard how the federal government can sharpen innovation competitiveness, focusing primarily on stimulating R&D and fostering the conditions necessary to drive innovation. When it comes to public and private R&D spending, Canada spends roughly 1.6% of its Gross Domestic Product (GDP), a proportion that is comparatively lower than the Organisation for Economic Co-operation and Development (OECD) average of 2%. In light of this, witnesses encouraged the government to provide direct funding and tax incentives to encourage R&D in Canada, and to take measures to support the commercialization of Canadian innovations.

Recommendation 29: Support the institutional costs of research to bring all postsecondary educational institutions up to a 25% reimbursement rate in year one and to 30% in six years.

Recommendation 30: Support the pan-Canadian, university led Canadian Neutron Initiative to ensure that Canada maintains our place among leaders in materials research in priority areas, such as producing and storing clean energy, growing the economy through advanced manufacturing and clean technologies, and promoting health through biomedical and life sciences.

Recommendation 34: Create an incentive for businesses to protect their intellectual property by creating a first patent program with a design that is similar to that launched by the Government of Quebec.

Recommendation 35: Establish incentives for intellectual property development and commercialization through a commercialization coupon for researchers receiving federal grants, as well as an innovation box tax incentive for business revenue derived from commercialization of Canadian issued intellectual property rights.

Chapter Five: A Well-Functioning Labour Market

Chapter Five focuses on creating a well-functioning labour market. Canadians told the Committee they want more support to learn and develop job skills throughout their lives. They also want better working conditions and supports, especially for under-represented or marginalized groups such as women, Indigenous people, visible minorities and people with disabilities. Some suggestions aim to improve the labour environment in specific sectors.

According to WEF's *2018 Global Competitiveness Report*, a well-functioning and flexible labour market can help workers develop their skillset and efficiently match them with high-demand jobs, and combined with robust labour standards, can be more adaptive to emerging technologies and changing market conditions. Canada's labour market, characterized by "high flexibility, combined with very strong workers' protections and gender parity for the labour force participation" was ranked 6th among all countries surveyed in the report.

Throughout the Committee's consultations, Canadians stressed the importance of skills acquisition and market adaptation, and encouraged the government to include demographic-specific initiatives in the 2019 budget to support marginalized and underrepresented groups, gender equity, and people with disabilities within the Canadian labour force.

Recommendation 46: Incentivize small and medium-sized enterprises to partner with post-secondary institutions to expand work-integrated learning programs.

Recommendation 47: Place emphasis on work-integrated learning funding for students from under-represented groups, including First Nations, Inuit and Métis students.

Chapter Six: A Productive and Healthy Population

Chapter Six is about education, childcare and healthcare. Canadians told the Committee that they want better funding and supports from early childhood education to university. They also suggested many ways to improve public health.

According to WEF's *2018 Global Competitiveness Report*, highly educated populations are more productive, possessing greater collective ability to perform tasks and transfer knowledge quickly

and create new knowledge and applications. Canada was ranked 11th in terms of skills, which measures the quantity and quality of education, out of 140 countries.

Additionally, the meaning of “health” is not limited to the absence of disease or disabilities; rather, it is the state of complete physical, mental and social well-being. Healthier individuals have more physical and mental capabilities and tend to invest more in education as life expectancy increases, while healthier children develop into healthier adults with stronger cognitive abilities. The WEF *2018 Global Competitiveness Report* ranked Canada 12th in terms of health out of 140 countries.

Recommendation 59: Renew funding for the Post-Secondary Institutions Strategic Investment Fund.

Recommendation 60: Provide funding to the Social Science and Humanities Research Council of Canada, Natural Sciences and Engineering Research Council of Canada and Canadian Institutes of Health Research, on par with the level seen in the 2018 Budget.

Recommendation 62: Allocate funding over three years through Women’s Brain Health Initiative to accelerate the translation and application of new knowledge and innovative programs that effectively informs and empowers women to prevent or delay brain-aging disease progression.

Recommendation 63: Build on the existing drug coverage enjoyed by millions of Canadians and follow a close-the-gap approach to pharmacare to ensure that all Canadians have access to prescription drug coverage, in addition to examining ways to provide catastrophic drug coverage to Canadians.

Recommendation 64: Provide continued investment in military, veteran, and family health research, with extension to the Royal Canadian Mounted Police and other first responders, to improve the health and well-being of these Canadians.

Recommendation 65: Fund the Canadian Ovarian Cancer Research Consortium’s three research priorities and enable the Personalized Medicine Platform for Ovarian Cancer.

Recommendation 66: Commit to funding the Heart and Stroke Foundation of Canada over five years to undertake a nation-wide engagement program to facilitate discussion among women with lived experience of heart disease and stroke.

Recommendation 67: Provide substantial, long term funding to support the development and implementation of a new national diabetes strategy in time to celebrate the 100th anniversary of the Canadian discovery of insulin, and facilitate the creation of Indigenous-specific strategic approaches for type 1 diabetes, which would be led and delivered by Indigenous groups.

Recommendation 68: Support the existing work of the Canadian Cardiovascular Society (CCS) on cardiac benchmarking in Canada to create a permanent national cardiac benchmarking program in accordance with the CCS plan, by making a five-year investment to enable the CCS to sustain the program.

Recommendation 69: Provide stable and predictable funding for the Stem Cell Network to maintain operations after March 31st, 2019.

Recommendation 70: Invest in medical imaging equipment in northern communities to help eradicate tuberculosis.

Recommendation 71: Improve access to palliative care with targeted federal investments for both new and existing programs to improve standardization of delivery of palliative care for people across Canada.

Chapter Seven: Vibrant Communities

Chapter Seven asks the government to consider how to make communities stronger. Many people suggested supporting arts and culture. Some asked for better access to housing. Others want a wider social safety net. Canadians also asked the government to make communities safer.

Good quality jobs and a healthy economy are important for creating vibrant communities, which in turn help to stimulate economic competitiveness. Canada's quality of life consistently ranks among the highest in the world, scoring higher than most other countries on eleven of the twelve indicators included in the OECD's 2016 Better Life Index.

Canadians clearly value a high standard of well-being, but there are things the government can do to improve and strengthen the vibrancy of Canada's diverse communities. These include supporting Canadian arts and culture, improving Canadians' access to housing, widening the social safety net, and ensuring the safety and security of all Canadians.

Recommendation 83: Support the implementation of the Mental Health Commission of Canada's Roots of Hope national community suicide prevention strategy.

Recommendation 85: Create a national awareness campaign on elder abuse, neglect and self-neglect.

Chapter Nine: Effective Federal Programs and Services

Chapter Nine presents suggestions on how to improve the effectiveness of federal programs and services. Some witnesses suggested how departments could provide better services. Canadians also explained how the government should organize resources and federal strategies. Finally, they want to make sure the government gives enough international aid to the people who need it most.

Businesses, co-operatives, not-for-profits, charities, and individual Canadians rely on the federal government to set and deliver programs and services to support them in reaching their full potential, and this is vital to ensuring Canada's competitiveness on a global scale. In addition to employing well-resourced public servants, the federal government must ensure it delivers programs designed with Canadians in mind. Not only do Canadians expect efficient program implementation, they also want policies to be developed coherently and with the proper scope.

Throughout the Committee's pre-budget consultations, Canadians emphasized their desire for government to consult and work with them to ensure that federal programs meet their needs.

Recommendation 98: Invest in research and data gathering to quantify, track and develop a national strategy for responding to all forms of elder abuse and neglect.

Recommendation 99: Increase its official development assistance with the goal of allocating 0.7% of gross national income to the International Assistance Envelope by 2030, with three-year rolling targets, and in allocating this assistance, target food security, improved nutrition, and inclusive and high-quality education, particularly for girls and young women.