



PREMIERS FOCUS ON INNOVATION

REGINA, August 7, 2009 – Premiers agreed on the vital importance of innovation in ensuring Canada’s economic recovery and long-term prosperity.

“There are going to be huge opportunities available to our respective regions and the country, as the global recovery begins to take hold,” said Premier Brad Wall, Chair of the Council of the Federation. “It’s now very important to begin taking action to ensure we’re ready to take advantage of new opportunities.”

Premiers focused their discussions on innovation to green the economy, improve competitiveness and support the knowledge sector.

It is important to act now to green the economy. The early mover advantage on green innovation will enable jurisdictions to capture new markets and emerge from the current challenging economic climate smarter and more prosperous. Different approaches across this diverse country could include smarter electricity grids, increasing renewable energy, high speed rail, public transit, CCS technologies and cold climate technologies.

Premiers agreed to implement a Canada-wide water efficiency labeling program. This program will reduce water consumption by informing consumers of the most efficient products on the market.

Premiers also agreed to create a Council of the Federation Water Stewardship Council based on the already existing Council in Western Canada. The Council of the Federation Water Stewardship Council will focus its work on water efficiency and conservation and will report to the Premiers at their next summer meeting.

Premiers called on the federal government to modernize *Canadian Environmental Assessment Act* by amending the legislation to permit the federal government to enter into agreements with provinces and territories on a case by case basis to allow for the process and decision to be made on a one project-one assessment basis. The benefits of one project-one assessment include reducing overlap, eliminating unnecessary delays and assigning clear authority for decision-making, while ensuring the highest standards of environmental protection.

Provinces and territories have taken steps to make their tax systems less complex, more efficient, and more attractive to business, workers and

consumers. Fully utilizing tax systems to support the knowledge sector is critical. To this end, Premiers called on the federal government to:

- ensure its Scientific Research and Experimental Development tax incentive works in a complementary fashion with provincial and territorial tax incentives; and,
- remove unnecessary barriers to foreign capital and research and development investment.

Premiers encourage citizens and the private and public sectors to further embrace innovation as a core principle. Premiers identified numerous additional areas where they will be taking action to strengthen innovation, which are outlined in the attachment.

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APPENDIX: PREMIERS FOCUS ON INNOVATION

Innovation and Competitiveness

Canada is expected to have the lowest statutory corporate income tax rate in the G7 by 2012 and a marginal effective tax rate on new investment that is lower than the average of the OECD countries.

Premiers call on the federal government to work in partnership with provinces and territories to expand and sustain the use of broadband technology.

To create a supportive environment for open innovation, Premiers task Ministers responsible for Innovation to:

- develop better information on innovation, for example private sector investment in research and development; and,
- explore the linkages between bankruptcy laws, entrepreneurship and venture capital.

Green Economy

Aligning environmental, economic and energy security goals will support an economy that is both strong and sustainable.

It is important to act now. The early mover advantage on green innovation will enable jurisdictions to capture new markets and emerge from the current challenging economic climate smarter, greener, and more prosperous. Premiers are leading the transition toward a greener economy by promoting clean energy, energy efficiency within government and broader society, investment in greening the economy, and the creation of green jobs.

Building a stronger, greener economy with lasting, well-paying jobs for Canadians is a key goal for Premiers, and they support, where appropriate:

- More efficient and cleaner electricity grids – smart grids – that make use of advanced innovative technologies to effectively harness and distribute the various types of energy sources generated across Canada.
- Other forms of green infrastructure that will lead to real reductions in greenhouse gas (GHG) emissions, such as high speed rail and public transit.
- Carbon capture and storage (CCS) technologies that have the ability to substantially reduce GHG emissions while retaining Canada's ability to provide much-needed energy to the world.
- Promotion of energy management in the commercial and industrial sectors.
- Continued development and expansion of the use of clean and renewable energy sources such as geothermal, wind, solar, tidal, hydro, biomass and biogas.
- Development of alternative transportation fuels, such as cellulosic ethanol, that reduce greenhouse gas emissions.
- Promotion of cold climate technologies.

Premiers invite the participation and input of all energy stakeholders, including the federal government, to move the green economy forward and ensure a sustainable and secure energy future for Canada, continued economic growth and prosperity and enhanced environmental and social responsibility.

Environmental Assessment

Competitiveness is tied to a well functioning economy. Reducing the overlapping regulatory burden is a priority. Premiers continue to support a comprehensive review of the *Canadian Environmental Assessment Act* to help address concerns with timing, efficiency and certainty of process.

The Premier of Yukon shared information with the Council on the Yukon Environmental and Socio-economic Assessment Act (YESAA), which has been in effect since November 2005.

Premiers support the need for territorial governments to be closely involved in the development of any federal action plan for regulatory improvement in the North, including any resulting changes to environmental assessment processes.

Skilled Workforce

There is a clear link between literacy, skills and education and people's job opportunities and quality of life.

Highly skilled workers are essential to an innovative and green economy. Premiers are committed to ensuring that post-secondary education and training is accessible and responsive to the changing needs of society and individuals.

Premiers recognize the importance of establishing flexible employment and training programs to better meet the needs of Canadians affected by the economic downturn.