

Magnet Submission to ISED's Consultation on Canada's Next AI Strategy

Canada's Next National Project: Building the AI Grid for Adaptive Human Potential

Artificial Intelligence represents a transformational leap in how Canadians live and work. Canada has played a defining role in the development of this technology, but unlocking its full potential requires more than invention. Future productivity gains will depend on how effectively we enable adoption, empower people, and integrate AI into the foundations of our economy and society.

AI is not a single industry or market to be supported; it is a foundational capability comparable to electricity or the internet. Just as these technologies reshaped modern life when they spread, AI will underpin every sector, organization, and job. The question before us is not how to grow the AI industry, but how to ensure that every Canadian organization and every Canadian worker can safely, responsibly, and confidently benefit from it.

For Canada, this transformation is also a nation-building opportunity. The same spirit that built railways, power grids, and digital networks can now guide the construction of an AI infrastructure that connects regions, communities, and people to the opportunities of the future. Our success will depend on how we translate innovation into inclusion, ensuring that AI strengthens both our competitiveness and our social fabric.

Canada's economic strength and sovereignty will depend on how broadly and effectively we deploy AI across sectors and regions. Despite world-class research assets, our productivity growth continues to lag behind peer economies, and our adoption of emerging technologies is uneven. A recent KPMG study found that Canadians' AI literacy ranks among the lowest of 47 advanced and emerging economies. Global peers are embedding AI into public services, small enterprises, and industrial ecosystems. The countries that succeed in this next phase will not be those that invent the most, but those that adopt the fastest and most responsibly.

The next AI strategy must focus on building both the physical infrastructure that enables access and the human capacity that ensures understanding and trust. This means creating the conditions for



responsible adoption, supported by secure data frameworks, ethical standards, and regulatory flexibility, while empowering Canadians to apply AI confidently in their work and communities. By doing so, Canada can shape an AI future that reflects our values and extends opportunity to every part of the country.

Magnet's Perspective

Magnet operates at the intersection of technology, workforce development, and economic systems. We design and deliver national digital infrastructure in partnership with the federal government, collaborating with sector councils, chambers of commerce, postsecondary institutions, community organizations, and small and medium-sized businesses across the country.

Through national partnerships and programs such as Outcome Campus Connect, the Student Work Placement Program, and the Canadian Digital Adoption Program, Magnet has demonstrated how collaborative national systems can drive inclusion, adoption, and measurable impact. These systems now support thousands of employers, learners, and educators to connect learning with opportunity, and technology with outcomes.

Our experience provides a panoramic view of how technology adoption actually occurs within the labour market ecosystem. Adoption is not primarily a technical challenge but a systemic one. Organizations need clear pathways, trusted intermediaries, and capacity to apply technology to their missions. Canada needs a national approach that capitalizes on its unique strengths, a highly educated and inventive workforce and a strong system of sectoral and regional champions.

Canada's AI Grid: Connecting Innovation to Impact

While the United States dominates compute, capital, and foundation models, and China advances industrial deployment through state-backed infrastructure, Canada's path forward lies in **trust, inclusion, and adaptability**. Our advantage will not come from scale but from building the world's most trusted and adaptive AI economy.

To achieve this, Canada needs a coordinated **national AI adoption infrastructure** that makes it possible for every organization to access, test, and deploy AI safely and effectively. Just as the country once built the electrical grid and digital networks, we now need to build an AI grid that supports responsible, inclusive, and interoperable adoption at scale.



This architecture should connect innovation to impact through interoperable digital platforms, secure and sovereign data pipelines, and standardized access to compute and tools. A central component of this must be a **Trusted Data Commons**: a sovereign, interoperable data ecosystem grounded in privacy, consent, and transparency. This commons would create the foundation Canada needs to apply AI responsibly and affordably, ensuring that innovation flows into deployment with accountability and inclusion at every level of the economy.

The grid must also be supported by flexible regulations that encourage experimentation and responsible deployment. Ethical and security frameworks should be embedded within the infrastructure to ensure that trust and safety are built in from the start. Complementing this, **mission-oriented capital** should be directed toward applied AI fields where Canada leads such as healthcare, resources, agri-food, education, and public services, strengthening sectors that align technology with public value.

Canada does not need to outspend or outscale global competitors. We can **out-trust** them, by aligning our energy, resources, and talent toward an economy defined by responsibility, inclusion, and shared prosperity.

Adaptive Human Potential: AI and Skills of the Future

Infrastructure alone cannot transform an economy without a workforce that understands, trusts, and can apply the technology it enables. Skills are the true critical infrastructure of AI.

Empowering Canadians means developing a coordinated national approach to upskilling and digital readiness that meets people where they are. This requires embedding learning within existing systems for education, workforce development, and economic inclusion, training that is directly tied to job functions and industries, and delivered through trusted intermediaries such as postsecondary institutions, sector councils, and community organizations.

This future depends on cultivating what we call **Canada's Adaptive Human Potential**: the capacity of people, teams, and institutions to sense emerging opportunities, realign skills and mindsets, execute with purpose, and build trust. This concept should be woven directly into Canada's upskilling model, connecting continuous learning with curiosity, ethical awareness, and responsiveness to change.



As technology continues to evolve, resilience, digital literacy, and adaptability will define success. Since no one can predict which jobs or skills will matter most, Adaptive Human Potential provides a durable advantage: it transforms learning into a renewable capability and a national strength. By linking skill development to human creativity, adaptability, and integrity, Canada can place people at the heart of a thriving AI-enabled economy.

Accessibility and inclusion must guide this effort. Canadians in rural regions, Indigenous communities, and equity-deserving groups must see themselves in this transformation. A coordinated national effort would ensure that no one is left behind while creating a workforce ready to embrace AI as a force for shared progress.

National Recommendations:

1. Build and fund the national AI adoption infrastructure.

Establish a coordinated system integrating digital platforms, regulatory flexibility, ethical standards, and interoperable data frameworks to enable organizations of all sizes to adopt AI responsibly. Invest in shared infrastructure, secure compute, and open data environments that allow Canadian innovators and users to collaborate safely.

2. Create safe spaces for experimentation.

Develop regulatory sandboxes and pilot programs where organizations can test and implement AI responsibly. These environments should enable iterative learning between government, researchers, and industry, producing evidence-based models for ethics and deployment.

3. Embed learning and adoption capacity within Canada's economic and social systems.

Support sector-based, role-specific training through organizations positioned to deliver impact at scale. Strengthen industry associations, community organizations, and postsecondary institutions that have the trust and reach to translate strategy into real-world results. Learning should be practical, embedded in the flow of work, and aligned with both industry needs and inclusive access.

4. Make skills the critical infrastructure of Canada's AI future.

Prioritize a coordinated national approach to lifelong learning and digital readiness that meets Canadians where they are. Equip workers, entrepreneurs, and leaders with both technical literacy and human capabilities, adaptability, collaboration, critical thinking, and resilience, to



navigate continuous change. Adaptive Human Potential can serve as the guiding framework for this effort, defining adaptability and trust as Canada's core national strengths.

Together, these recommendations outline a distinctly Canadian path for responsible AI adoption built on collaboration, inclusion, and shared prosperity. By focusing on both the infrastructure that connects us and the human strengths that empower us, Canada can turn its leadership in AI research into a lasting advantage for every community and sector.

Moving Forward Together

Canada has a window of opportunity to lead globally in responsible and inclusive AI. The federal government's commitment to a renewed national strategy is a vital step, but leadership now depends on building the infrastructure, institutions, and skills needed for AI to serve the public good at scale.

Magnet's experience delivering national initiatives, convening partners, and supporting real-world adoption positions us to contribute meaningful insight to this vision. We would welcome continued dialogue and collaboration with ISED and its partners on the design and implementation of a national AI adoption infrastructure that reflects Canadian values and priorities.

Building Canada's AI grid and empowering Canadians represents a nation-building opportunity. By investing in both technology and people, Canada can transform AI from a collection of tools into a shared public capability, strengthening our economy, enhancing productivity, and ensuring that innovation serves every community.

Canada's next AI strategy should invest not only in compute and models but in the connective tissue: the human and institutional networks that make AI work for everyone. In doing so, we can define how AI serves people, opportunity, and prosperity for generations to come.

Submitted by
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