

# TECHNATION<sup>CA</sup>

February 25, 2022

## TECHNATION's 2022 Federal Budget Submission: Accelerate Digital Transformation and Invest in Canada's Tech Sector to Lead Economic Recovery

[TECHNATION, Canada's leading national technology association](#), continues to encourage the Government of Canada to focus on supporting the technology sector as a key driver of Canada's economic future, starting with our recovery from the COVID-19 pandemic and setting the path forward for sustained economic success for all regions of the country.

Canada must establish a coherent tech policy approach that combines a digital transformation agenda with an economic development approach. This can both support and grow our technology industry and create jobs today and well into the future. The global pandemic has demonstrated that now is the time to accelerate investments in digital transformation and tech adoption by government and the private sector.

In Fall 2021, TECHNATION released its "[Roadmap](#) for Sustained Growth in Canada's Tech Sector". This Roadmap outlined a four-point plan for the government to execute a strategic approach to growing the digital economy. All of the recommendations need to be implemented to their full extent.

### Procurement Modernization to Support Digital Government

Canadians currently do not have the modern, effective digital government it requires to deliver the services they require. **Government must prioritize an aggressive and comprehensive digital government strategy. A crucial element of this, is procurement modernization.**

Critical investments in digital government were implemented during the pandemic, and these investments enabled governments to respond to citizens' needs throughout the COVID-19 crisis. It is important that as we emerge from the pandemic, governments continue with their modernization efforts, and fully embrace and implement ready-made, industry-leading innovations to deliver on the way forward. **Canada has an incredibly innovative domestic tech sector with a vast network of suppliers that government should work with. We strongly encourage government to leverage this existing ecosystem to adopt solutions – not develop in-house (“buy-tech, don't build tech”).**

**TECHNATION also encourages the Government of Canada to engage tech industry leaders as early as possible in the procurement process, and to develop a true collaboration approach.** We have seen positive signs that this is being embraced by some ministries in the Federal Government and this collaboration should both become the norm and set the example for other levels of governments across Canada.

**Canada should expand agile procurement, leveraging [Canada's Digital Marketplace](#), to uncover innovative domestic solutions to its complex problems.** This will afford the government a low-risk approach to working with tech scale-ups, many of which are micro and small businesses, to experiment and prototype solutions across various ministries. Leveraging the Government of Canada's immense purchasing power is a unique lever to drive our nation's economic recovery that must not be ignored, especially with opportunities to diversify the tech-supplier base to include more under-represented and Indigenous businesses.

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The Federal Government cannot be a laggard. It must set the tone and standard for other levels of government, organizations, and businesses across Canada, when it comes to digital adoption and digital enablement. Public sector workers need access to leading digital tools required to deliver services effectively, and securely, to citizens.

## Canada's Tech Sector – Driving Economic Recovery

Canada's tech industry, which includes large, medium and small enterprises, is positioned to drive economic recovery by fueling the creation of innovative, high-quality, well-paying jobs. Our tech sector can be a true success story and a global force, in the long-term.

The world's economy is continuing to face a crisis due to the pandemic, and recovery is not guaranteed, internationally or domestically. **Canada must identify pro-tech growth policies to fuel this recovery. Now is the time for the Canadian government to embrace digitalization**, which will create opportunities for tech businesses of all sizes and improve the economic and social future for our citizens.

However, the tech sector is hyper-competitive, and Canada is competing in a global market. Uncertainty can kill jobs and thwart investment opportunities. **The government must create cohesive data and privacy laws.** This includes updating The Personal Information Protection and Electronic Documents Act (PIPEDA). Also, departments including Innovation, Science and Economic Development (ISED), Heritage Canada, Finance and Global Affairs, among others, cannot work in siloes to execute policies that impact the tech sector. **Digital taxation can be modernized, and Canada can find protection from potential trade retaliation by working through the international process at The Organisation for Economic Co-operation and Development (OECD).**

Digital policy is highly complex and policy decisions such as the reform to the Broadcast Act and an Online Harms Bill could result in decades of impact to the tech sector. However, the federal government does not have to go at it alone. Canada is home to some of the top technology firms in the world. **TECHNATION is challenging the government of Canada to join forces with industry experts to develop focused approaches for industry-government collaboration and tech policy co-creation.** To compete internationally, Canada needs domestic policies that attract technology investments and enable creative businesses to thrive.

In addition, TECHNATION urges the government to:

- **Make future tech workforce development a top, national priority** by leveraging existing programs such as TECHNATION's [CareerFinder](#), to identify and communicate clear and barrier-free learning and career pathways, helping youth and displaced workers explore potential career opportunities in tech.
- **Recruit international tech talent to Canada.** Expand programs such as the Global Talent Stream Visa Program to fast-track high-skilled talent to Canada.
- **Identify, fund, and promote remote learning opportunities** for individuals seeking tech sector employment to reskill/upskill, while enabling them to remain within their communities in rural and remote areas of the country.
- **Ensure the development of cybersecurity talent is a strategic priority.** To enhance skills in leading edge technologies (such as cybersecurity, AI and blockchain), funding opportunities must adopt these priorities in their proposal selection criteria.

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**Bring tech adoption rate to par with our global counterparts.** Implement quickly the \$4B Canada Digital Adoption Program (CDAP) to accelerate tech adoption across small and medium-sized enterprises (SMEs). Focus especially on strengthening cyber security across all sectors, but especially for SMEs.

- Canada still has an opportunity to **be a leader in the digital asset revolution** like Blockchain. However, it is essential that there are targeting programs to assist with adoption and growth.
- **Help close the digital divide with continued investments in rural broadband, working with industry to find solutions to deliver as quickly as possible.** This could include simplifying the application process for the Universal Broadcast Fund to take into account the short and difficult construction timelines in the Canadian north. This is an important initiative as the pandemic has proven the crucial need for all Canadians to be connected.

## Health: Digital Health Innovation and Adoption

The COVID-19 pandemic has created an unprecedented number of health challenges across Canada. However, a positive outcome has been the increased acceptance and adoption of digital health technology by health care providers, a prime example of which is the increased usage of virtual care platforms.

**We call on the Federal Government to continue increased investment in Provincial and Territorial transfer payments to further support digital health innovation needs.**

We also call on the federal government to **continue to provide funding to government agencies and organizations focused on digital health**, such as Canada Health Infoway and the Canadian Institute for Health Research (CHIR) **to further support efforts to increase digital health adoption across the country.** There should also be **continued investment in the Pan-Canadian Health Data Strategy** being led by the Public Health Agency of Canada to enable better health outcomes for the health and wellbeing of all Canadians.

We also encourage further investment in the following innovative and technology-based areas:

- **Continued investment in rural broadband** to enable access to virtual health across the country.
- **Health Data and Interoperability Standards.** The selection, development, and implementation of nationally and internationally accepted standards<sup>1</sup> to provide healthcare data for clinicians and policy makers between point of care systems and provincial digital health assets, including provincial long term care communities.
- **Cybersecurity**, for the continued safety, privacy and accessibility for Canadians and its health systems, and to avoid the potential of billions of dollars in costs for ransom payments.
- **Investments in critical expansion of Artificial Intelligence (AI) and Machine Learning (ML) that are specific to health care.**

The COVID-19 pandemic has demonstrated that continued investment in digital health across Canada contributes to a successful and sustainable health care system; and that virtual care will continue to play a significant role in health care, allowing an effective balance between in person and virtual visits.

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<sup>1</sup> For example, the Canadian Centre for Cyber Security guidance for security categorization of cloud-based services.

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## Conclusion: The Time to Act, is Now

Technology firms can drive Canada's economic recovery, fuel the creation of innovative, high-quality, well-paying jobs, and position our changing economy for long-term success. During the pandemic, the tech sector enabled Canadian businesses – in all sectors – to continue operating, ensured products got to market, helped students to keep learning, and families to stay connected.

Canada must take advantage of the tech sector as a key driver of economic recovery from COVID-19. As tech solutions fuel the recovery and resilience of businesses, now is the time for government to focus strategically on Canada's tech sector as a global innovation leader.

TECHNATION would welcome the opportunity to present its recommendations to the Ministry of Finance and the Standing Committee on Finance. For further information please contact Nevin French, Vice President, Policy, at [nfrench@technationcanada.ca](mailto:nfrench@technationcanada.ca).

## **About TECHNATION**

TECHNATION is the industry-government nexus for technology prosperity in Canada. As a member-driven, not-for-profit, TECHNATION unites Canada's technology sector, governments, and communities to enable technology prosperity in Canada. TECHNATION champions technology prosperity by providing advocacy, professional development and networking opportunities across industry and governments at all levels; connecting Canadian scale-ups with global tech leaders; engaging the global supply chain; and filling the technology talent pipeline.

TECHNATION has served as the authoritative national voice of the \$230 billion ICT industry for over 60 years. More than 44,000 Canadian ICT firms create and supply goods and services that contribute to a more productive, competitive, and innovative society. The ICT sector generates more than 671,100 jobs and invests \$8.0 billion annually in R&D, more than any other private sector performer. For more information: [www.technationcanada.ca](http://www.technationcanada.ca). TECHNATION was formerly the Information Technology Association of Canada (ITAC). [www.technationcanada.ca](http://www.technationcanada.ca)

