# TECHNATION<sup>CA</sup>

## TECHNATION's 2024 Federal Budget Submission

February 8, 2024

Building upon our [Reaction to the 2023 Federal Fall Economic Statement](#), we are pleased to share TECHNATION's 2024 Federal Budget Submission. As the technology sector plays a vital role in Canada's economic future, we are writing to provide key recommendations to harness the industry's potential to drive sustained economic prosperity.

We renew our call from [previous budget submissions](#) for the Government to drive innovation, economic growth, and inclusivity in Canada's digital landscape. Canada is falling further behind our international peers, and we need to urgently address the lack of a national roadmap to drive digital forward. Canadians need and deserve digitally enabled services that are accessible anywhere, anytime, and on any device.

TECHNATION also calls for collaboration and co-creation in developing this national digital strategy, as well as rural broadband investments, workforce development, the creation of favourable regulatory environments, and enhanced cybersecurity measures.

Delivering on the recommendations outlined below will reflect Canada's commitment to harnessing technology for the benefit of its citizens and foster the growth of its tech sector.

**Driving Digital Forward:** TECHNATION strongly urges the government to expedite investments in technology adoption, including Artificial Intelligence (AI) and Generative AI (GenAI). This acceleration should encompass government initiatives and private-sector engagements to maximize the benefits of technological advancements. We must develop public-private consensus on how adopting AI/GenAI will strategically impact current or future national challenges such as Canada's productivity, economic recovery, global competitiveness, and prosperity.

We also urge the Government of Canada to prioritize becoming a truly digital government, including simplifying processes, increasing the availability of online services, and enhancing Canadians' overall digital experience. This will require investments in emerging technologies, fostering a culture of innovation, and promoting digital literacy for a highly skilled digital workforce. Delivering on these priorities will better position Canada as a leader in digital innovation with a robust digital economy.

A robust IT infrastructure is the foundation of a modern digital economy, so the Government of Canada must resolve the number of aged systems by upgrading its legacy infrastructure, which has only made progress towards 36% of its systems today. This upgrade to infrastructure is needed to support modernized and increased digital services, facilitate remote work, and ultimately drive economic growth.

**Modernizing Public Sector Procurement:** The Government of Canada needs to accelerate its work to streamline processes and drive efficiency through the modernization of public sector procurement. Increased emphasis on leveraging digital technologies, improving transparency, and increasing the accessibility of government contracts to a broader range of businesses, including smaller enterprises, will ensure the best value and outcomes from government procurements. By leveraging its purchasing power, the federal government can diversify the tech-supplier base, fostering economic growth and inclusion.

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**Cybersecurity Readiness and Response:** As cyber threats evolve, the Canadian government must intensify its efforts to enhance cybersecurity. Recent cyberattacks on critical infrastructure worldwide have underscored the need for robust cybersecurity measures. The introduction of cybersecurity legislation via Bill C-26 provides some substantial updates to Canada's approach. Still, the government must also further invest in advanced technologies, workforce training, and international collaboration to bolster our defences and respond effectively to cyber threats.

TECHNATION is looking forward to the introduction of an updated National Cyber Strategy. Ensuring that this strategy will help bridge the cyber talent gap and fortify Canada's cybersecurity capacity is critical. Initiatives such as reskilling and upskilling talent, providing tax credits, and raising awareness are vital components of developing and implementing this strategy for a digitally resilient nation.

**Broadband and Connectivity for Canadian Communities:** The Government must ensure high-speed broadband connectivity across Canada, emphasizing rural, remote, and Indigenous communities. TECHNATION calls on the Government of Canada to expand and accelerate its funding for rural broadband infrastructure and to re-invest funds from the spectrum auction into the Universal Broadband Fund (UBF) and other programs to address the critical connectivity gaps in Canada's rural and remote areas. Bridging the digital divide through enhanced investments in remote and underserved areas will improve rural communities' economic opportunities, education, and healthcare services.

**Pan-Canadian Health Data Strategy:** Continued investment in the Pan-Canadian Health Data Strategy and support for digital health organizations are essential to ensure timely access to health data, ultimately enhancing public health outcomes. We support the continued focus on interoperability, privacy, and security, aiming to create a unified health data ecosystem that supports research, innovation, and patient care in Canada. TECHNATION also supports increased ongoing stakeholder engagement and the development of standardized data governance frameworks as critical components of delivering on this initiative.

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TECHNATION would welcome the opportunity to present its recommendations to Finance Canada and the Standing Committee on Finance.

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**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 $242 billion ICT industry for over 60 years. More than 45,000 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 717,590 jobs and invests $10.3 billion annually in R&D, more than any other private sector performer. TECHNATION was formerly the Information Technology Association of Canada (ITAC). For more information: www.technationcanada.ca