

## Technology companies say they need action, not just talk, from political parties to support innovation sector

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Carol Leaman, CEO of Axonify, says Canadian technology companies need politicians 'to be talking about long-term prosperity,' not just paying 'lip service' to the concept. (2015 File Photo).

THE GLOBE AND MAIL

Canadian technology companies are pressing the federal parties to address what they say is a lack of policies to support the country's homegrown innovation sector.

“All [parties] are really good about platitudes, like ‘We need more innovation’... but I don’t think they understand the specifics of what would actually be helpful,” said Carol Leaman, chief executive of Waterloo employee training software firm Axonify Inc. “It feels like lip service. We need politicians to be talking about long-term prosperity.”

While the Liberal government introduced innovation-related measures including funding for superclusters, artificial intelligence and clean technology, the innovation economy has barely figured in the election. The word “innovation” does not appear in the Liberal platform, which contains only a general pledge that the party, if elected, will “look for opportunities for increased collaboration between our talented scientists, researchers and innovators, and those in other Group of Seven countries and advanced economies.” Its key technology-related promise is to tax foreign tech giants. “We’ve done an awful lot over the past four years [to help domestic innovators], but we fully recognize that there’s more to do,” Liberal Leader Justin Trudeau said Friday.

The Conservatives haven’t released their full platform, but promise measures to benefit tech firms including reduced red tape, research and development support and tax credits for green technology patents. “I’m very confident that under a Conservative government [we’ll] see a great deal of economic activity in startups, in high tech, in innovative research,” Conservative Leader Andrew Scheer said Friday.

The NDP, meanwhile, has made general promises to support innovators and review federal procurement to encourage Canadian bidders.

The scant campaign talk about innovation amounts to “a lack of substance in terms of sophistication compared with what we see in other technology- and data-driven economies” said Pierre Chamberland, chief energizing officer of Montreal data compliance software company NetGovern Inc. “The elephant in the room ... is that none of the parties are really addressing the underlying issue, nor have successive governments, of wealth creation.”

On Saturday, the Council of Canadian Innovators (CCI), a lobby group representing more than 100 Canadian tech companies with \$10-million-plus in revenue, is releasing an open letter urging party leaders to help increase access for innovative Canadian companies to skilled workers, capital and customers.

“We’re at the precipice of the economy changing and we need leaders from whichever political party ultimately forms government really understanding the importance of the innovation economy in terms of our future prosperity,” CCI executive director Benjamin Bergen said.

"This is where real wealth generation will come from. If we don't solve this, we're not going to be able to pay for the social programs we care about."

Given the chronic shortage of skilled workers, the CCI wants the parties to develop strategies to lure talent to Canada, including recommitting to extend a fast-track visa program for employers recruiting foreigners. It wants Ottawa to end uncertainty over taxing of stock options by exempting tech firms that rely on the equity incentives to attract employees. It is calling on government to fix innovation funding programs to back more domestic winners and to focus less on enticing foreign tech giants to set up here. The CCI also wants to see a national data strategy.

Some CCI members expressed disappointment in Mr. Trudeau's active courting of foreign tech giants to invest in Canada during the last government, a point picked up by Mr. Scheer. "I've met with many representatives of the high tech industry [who are] often very frustrated that Justin Trudeau seems to be focused on the big giant international companies while ignoring the great stories that we have here at home," Mr. Scheer said Friday.

Several CCI companies also singled out federal procurement practices, which they believe favour foreign giants over emerging Canadian companies. That was also the conclusion of a 2017 report by then-federal chief information officer Alex Benay.

"I would like to see changes to procurement policies to favour Canadian firms," said Neil Desai, vice-president with Waterloo software firm Magnet Forensics. Canada's trading partners have figured out a way to enable growth of their domestic tech industries while adhering to their international trade obligations, he said. Canada's government "always" shies away from that: "The reality is when you strategically combine procurement with economic development you can achieve meaningful results," he said.

*With files from Marieke Walsh and Janice Dickson*

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