

2018 Ontario Election Innovation Highlights

June 1, 2018

What each political party is saying about Ontario's innovation economy

The **Council of Canadian Innovators** asked the four main political party leaders in Ontario how they would help domestic innovators scale up their companies and access more talent, capital, and customers in the 21st century innovation economy, if their party is elected on June 7th.

Innovative technology companies are the fastest growing job and wealth creators in Ontario. Nationwide, 47% of new jobs in Canada are being created by high-growth small and medium sized companies, while 46% of Canada's GDP is generated by scaled, large firms.

CCI asked Ontario's four main political party leaders how they'll help innovators scale up



Hon. Kathleen Wynne
Ontario Liberal Party



Andrea Horwath
Ontario NDP



Doug Ford
Ontario PC Party



Mike Schreiner
Green Party of Ontario



DISCLAIMER: CCI received survey responses from the Ontario Liberal Party and the Ontario NDP. Having not received responses from the Ontario PC Party or the Green Party of Ontario, CCI has chosen to include their limited publicly available statements on the innovation economy in this document. Sources are available upon request.

Access to Highly-Skilled Talent

Domestic innovators face challenges in accessing and retaining the highly-skilled workers they need to scale their businesses. A recent report states that by 2020, there will be nearly 220,000 vacant jobs in Canada's tech sector. Meanwhile, a recent study showed that 1 in 4 STEM students were leaving Canada for the United States tech sector.

CCI asked each party leader how their government would help Canadian scale-ups access more talent and what measures would their government take to help retain more highly-skilled talent in Ontario?

Access to Highly-Skilled Talent



The Ontario Liberal Party is committing to invest \$132 million over the next three years in “innovative college and university programming that strengthens partnerships with employers and gives students more experiential learning opportunities.” They say this will increase the number of STEM graduates by 25%.



The Ontario NDP is committing to create 27,000 “new paid co-ops and internships that will allow students to graduate with real-world experience” and redistributing \$57 million from the *Jobs and Prosperity Fund* to “create opportunities in the trades.”



The PC Party of Ontario is committing to “fill the skills gap by increasing access to apprenticeships and reforming the foreign credential recognition process to help qualified immigrants come to Ontario.”



As of June 1, 2018, the Green Party of Ontario has not commented on access to highly-skilled talent during this election.

Access to Capital

In the 21st century innovation economy, the governments that work hand in glove with their homegrown innovative companies are seeing the greatest economic returns for their efforts. In Ontario, innovators often utilize government programs aimed at assisting businesses in their growth, including the *Jobs and Prosperity Fund (JPF)*, the *Ontario Scale-Up Vouchers Program (OSVP)*, and regional economic development funds, like the *Southwestern Ontario Ontario Development Fund (SWODF)* and the *Eastern Ontario Development Fund (EODF)*.

CCI asked each party leader what is their position on these programs? How would their government work with the innovation community to enhance these programs? How would their government help Ontario-based scale-ups access more capital so they can commercialize their products and scale their businesses around the world?

Access to Capital



The Ontario Liberal Party is committing to invest an additional \$900 million into the \$2.7 billion *Jobs and Prosperity Fund (JPF)* to replenish the fund and allow for the creation of new streams to "better serve innovative startups and scale-ups." Within the JPF, they plan to create an \$85 million *Venture Technology Fund* to help "fast-growing firms leverage their talent and commercialize their products and intellectual property." They also plan to create a \$50 million *Transformative Technology Partnerships Fund* to "accelerate the development and commercialization of transformative technologies such as AI, 5G wireless communications, and advanced computing" within the province.



The Ontario NDP is not committing new funds to the *Jobs and Prosperity Fund*. Instead, they plan to redistribute the remaining funds within the *JPF* to support "opportunities in the trades" and a new stream within the fund to "promote manufacturing research and development."



The Ontario PC Party is committing to eliminate the *Jobs and Prosperity Fund* but would maintain regional economic development funds. The incentives they would give businesses in Ontario include reducing "business taxes and red tape."



The Green Party of Ontario is committing to redirect annual business support program funding towards "cleantech innovation, advanced manufacturing and bio-products." They say they would "stop subsidizing businesses that pollute and instead provide incentives to work towards clean products."

Access to Customers

The Government of Ontario is the biggest customer in the province. In the global innovation race, having a government as a purchaser of domestic goods and services is considered a major validator for Ontario-based companies that helps to accelerate future sales with other governments around the world.

CCI asked each party leader how their government would improve procurement policies to help Ontario-based scale-ups access more customers and sell more into the government?

Access to Customers



The Ontario Liberal Party is committing to develop "new government purchasing rules for technology and digital services to make it easier for digital suppliers to do business with government." They commit to reviewing government procurement practices to "identify ways ministries and agencies can devote a portion of all procurement toward innovative solutions from small businesses."



The Ontario NDP believes the "the best way a government can support a small and growing business is by buying their goods and services." They are committing to "work to provide greater procurement opportunities for small and scaling sized businesses with the goal of awarding a third of government procurement contracts to these businesses."



The Ontario PC Party is committing to "centralize government purchasing."



The Green Party of Ontario is committing to "change government procurement rules to support low carbon products and services."

Tax Policy

Ontario's Corporate Income Tax (CIT) is currently 11.5%.

CCI asked each party leader what they plan to do to the corporate tax rate and how they plan to keep Ontario's business climate competitive with other jurisdictions, in particularly the United States? What are their plans for Ontario's R&D tax credits?

Tax Policy



The Ontario Liberal Party is committing to maintain the current Corporate Income Tax (CIT) at 11.5% while committing to "increase both of Ontario's R&D tax credits to encourage investment and commercialization."



The Ontario NDP is committing to increase the Corporate Income Tax to 13%. They would do this by increasing the CIT by one percentage point in 2019-2020 and 0.5 percentage points in 2021-2022. They will "maintain the one-third reduction to small business corporate income tax rates."



The Ontario PC Party is committing to reduce the Corporate Income Tax to 10.5%, as well as reducing the Manufacturing and Processing rate by one percent and reducing the 3.5% small business tax rate by 8.7%.



The Green Party of Ontario would increase the Corporate Income Tax to 13%.

Protecting Ontarians Data

The digital transformation underway is creating a new kind of economy which is currently built off the data created by digitally connected individuals and machines. Ontario needs a provincial data strategy that ensures Ontarians own and control their data so that it can become an engine of prosperity for the province of Ontario as well as a tool that protects our privacy, public safety, democracy and public health.

CCI asked each party leader what their positions were on the data-driven economy and if their government would develop a provincial data privacy strategy. What are their views on data ownership, privacy and protection, and what are their thoughts on regulating large, multinational technology companies that collect and sell user data?

Protecting Ontarians Data



The Ontario Liberal Party is committing to "exploring a Data Strategy for the province" that will help ensure that the people of Ontario are able to "reap the significant benefits from responsibly using publicly funded data generated here, while protecting the public interest." They are also committing to introducing a "Citizens' Digital Privacy and Consent Charter to give people the appropriate protections, ownership and control of their data as they use technology and social media platforms." They note that this would apply to areas falling under provincial jurisdiction.



The Ontario NDP acknowledges that the "digital landscape is constantly evolving, and it is important to ensure that measures are in place to protect and educate consumers about their right to own, manage and protect their own data." They believe that "no company should be able to collect or sell user data without explicit consent of users."



As of June 1st, the Ontario PC Party have not commented on data privacy or Ontario's data-driven economy.



As of June 1st, the Green Party of Ontario have not commented on data privacy or Ontario's data-driven economy.

Helping Ontario's Innovators Scale-Up

For far too long, Canada's public policy regarding innovation has been dominated by foreign multinationals and other actors whose primary purpose is not to create economic growth in Canada.

CCI asked each party leader what measures would their government enact to prevent publicly-funded Intellectual Property (IP) from leaking out of Ontario? Would their government commit to doing an economic study on the impacts of Foreign-Direct Investment (FDI) in the knowledge-based economy on the domestic technology sector? Finally, how would their government work with domestic innovators to develop strategies that help high-growth companies scale-up globally?

Helping Ontario's Innovators Scale-Up

The Ontario Liberal Party is committing to developing a "strategy to help Ontario firms protect and leverage their intellectual property" and will "explore doing a study on the impacts of FDI in the knowledge-based economy on the domestic technology sector." They would also continue to support the competitiveness of Ontario's high-growth sectors while "helping companies commercialize the intellectual property resulting from R&D."



The Ontario NDP is committing to develop a "cluster strategy focused on bringing together all actors within a strategic regional industry, such as local small and medium sized businesses, large anchor organizations, their suppliers, local colleges and universities, and all levels of government." They say this would enable strategies to be designed that would focus on "maintaining publicly funded intellectual property for the benefit of Ontario's economy and understanding the impacts of foreign-direct investment in the knowledge-based economy on the domestic technology sector." They are also committing to "create an advisory panel on the innovation economy made up of domestic business leaders, experts and workers" to guide the government in "expanding Ontario's innovation economy and home-grown innovation leaders."



As of June 1st, the Ontario PC Party have not commented on Ontario's innovation ecosystem or working with domestic technology scale-ups.



As of June 1st, the Green Party of Ontario have not commented on Ontario's innovation ecosystem or working with domestic technology scale-ups.



Ontario Liberal Party on the Innovation Economy

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Ontario NDP on the Innovation Economy

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Access to Capital

The Ontario NDP is not committing new funds to the Jobs and Prosperity Fund. Instead, they plan to redistribute the remaining funds within the JPF to support “opportunities in the trades” and a new stream within the fund to “promote manufacturing research and development.”

Access to Customers

The Ontario NDP believes the “the best way a government can support a small and growing business is by buying their goods and services.” They are committing to “work to provide greater procurement opportunities for small and scaling sized businesses with the goal of awarding a third of government procurement contracts to these businesses.”

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Ontario PC Party on the Innovation Economy

Access to Highly-Skilled Talent

The PC Party of Ontario is committing to "fill the skills gap by increasing access to apprenticeships and reforming the foreign credential recognition process to help qualified immigrants come to Ontario."

Access to Capital

The Ontario PC Party is committing to eliminate the Jobs and Prosperity Fund but would maintain regional economic development funds. The incentives they would give businesses in Ontario include reducing "business taxes and red tape."

Access to Customers

The Ontario PC Party is committing to "centralize government purchasing."

Tax Policy

The Ontario PC Party is committing to reduce the Corporate Income Tax to 10.5%, as well as reducing the Manufacturing and Processing rate by one percent and reducing the 3.5% small business tax rate by 8.7%.

Protecting Ontarians Data

As of June 1st, the Ontario PC Party have not commented on data privacy or Ontario's data-driven economy.

Helping Ontario's Innovators Scale-Up

As of June 1st, the Ontario PC Party have not commented on Ontario's innovation ecosystem or working with domestic technology scale-ups.

Green Party of Ontario on the Innovation Economy

Access to Highly-Skilled Talent

As of June 1, 2018, the Green Party of Ontario has not commented on access to highly-skilled talent during this election.

Access to Capital

The Green Party of Ontario is committing to redirect annual business support program funding towards "cleantech innovation, advanced manufacturing and bio-products." They say they would "stop subsidizing businesses that pollute and instead provide incentives to work towards clean products."

Access to Customers

The Green Party of Ontario is committing to "change government procurement rules to support low carbon products and services."

Tax Policy

The Green Party of Ontario would increase the Corporate Income Tax to 13%.

Protecting Ontarians Data

As of June 1st, the Green Party of Ontario have not commented on data privacy or Ontario's data-driven economy.

Helping Ontario's Innovators Scale-Up

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About the Council of Canadian Innovators

The **Council of Canadian Innovators** is a non-partisan, not-for-profit business council that was created in September 2015 and is led by the **CEOs of Canada's most successful technology companies** to ensure the voices of domestic scale-ups were heard in the public policy development process.

Today, **the Council is composed of over 90 CEOs leading high-growth, Canadian-based companies**, and is chaired by Jim Balsillie, former Blackberry Co-CEO, and John Ruffolo, CEO of OMERS Ventures.

CCI advocates for strategies that increase **access to talent, capital and customers** for scaling domestic firms and provide **freedom to operate** for Canadian companies in a global environment.

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