

## **WCGS Submission from Peraton Canada**

### **1) What does a stronger western Canadian economy look like 10 years from now?**

The share of the Canadian Defence Sector in Western and Northern Canada is 20%, mostly focused on naval vessel MRO and aircraft MRO. This is a significant piece of the Defence Sector and should be more widely publicised in Western Canada. However, when considering the overall Aerospace and Defence Sector a significant advantage still exists in Ontario and Quebec. This advantage is mainly due to the industry initial set-up in these regions of Canada. Based on this regional start, manufacturing plants and related businesses have expanded in these locations (Ontario and Quebec). In addition, general manufacturing support (i.e. component suppliers, board manufactures, etc.) are more widespread in these areas, as are experienced staff. Starting a company outside of these regions has proven to be quite difficult without regional assistance. The second major disadvantage for establishing a Western presence in the sector is the separation from key decision-makers (i.e. NDHQ, PSPC, ISED). Previously, regional incentives were used to offset these disadvantages. Without regional incentives it is quite likely that in ten years the Western Canadian economy (as it pertains to the Defence and Aerospace Sector) will look similar to what it does today. One strength that the West, and in particular Alberta has, is the burgeoning capability in Unmanned Systems. The terrain in Alberta and Saskatchewan is perfect for testing of airborne and ground based remotely piloted vehicles. Marketing assistance for companies involved in this field in the West would really help to attract international business to Western Canada. In addition, a regional incentive would go a long way to helping foster further growth in the West. ITB policies that incentivize innovation/R&D are also beneficial tools to assist in the development of collaboration and increased innovation in the West (knowledge-based economy).

### **2) What are the best ways to spur new growth in western Canada?**

Certainly, developing collaboration within industry (large companies and SMEs) and academic institutions will help to foster growth. Part of that collaboration could be supporting programs that develop new technicians that can be gainfully employed in the sector upon graduation. In addition, youth outreach programs to foster interest in the sector could help develop a larger employment base for the Aerospace and Defense Sector. Current ITB policies that incentivise assisting and working with SMEs are essential to help SMEs develop their respective companies.

### **3) What will help the Indigenous economy continue to grow?**

Outreach to indigenous communities to educate them early on about the opportunities that exist (focus on STEM) can go a long way towards increasing indigenous employment within the Aerospace and Defence Sector. In addition, partnerships with Indigenous Post Secondary institutions, where students can learn an applicable trade and seek employment post training/education is another tool to help increase their involvement.

### **4) How can we improve economic participation in the west of underrepresented groups, including women, youth and new immigrants?**

A focus on equal opportunity is key. Outreach programs that educate on the opportunities available to everyone in the Defence Sector (with a focus on STEM) could help foster interest in the Industry and encourage people to follow a path that leads to employment within the sector or creation of SMEs

(entrepreneurship). A focus at the early stages of interest (youth outreach) would prove more useful to the development of inclusion of minorities than a focus merely on current representation within companies (quotas).

Note that a secondary challenge for the Defence sector is in obtaining security clearances for its staff. Presently non-Canadian citizens and those who are Canadian but do not have a 10-year history in Canada may have difficulty obtaining a security clearance. For many positions clearances are mandatory. As a result, companies will be reluctant to employ staff who cannot be fully employed.

## **5) How can governments, industry and western Canadians work together to grow the regional economy?**

Many of the ITB policies, tax credits for R&D, grants/contributions, when applied in a manner that makes sense to the particular industry, are positive ways that the government is helping to encourage innovation, engagement with SMEs, partnerships with academic institutions etc. Further promotion/marketing of the research that is being conducted at Western Academic Institutions would also serve to attract corporate partnerships which would in turn assist in growing the sector.

Beyond these policies it is felt that bringing back a regional incentive for Western Canada would also go a long way to assisting in the further growth of the Aerospace and Defence Sector.