



BC Tech Policy Priorities

A New Economic Narrative for BC

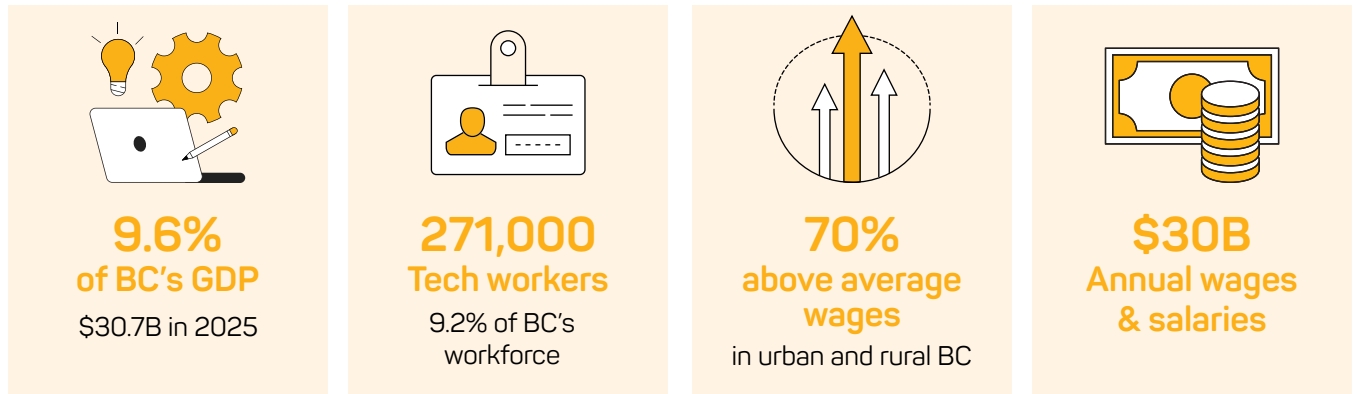


JUNE 2026

ABOUT BC TECH

1600+ members across all Tech sectors

The BC Tech Association represents everyone from students to startups to scaleups to globally significant anchor companies. We represent BC's fastest-growing industrial sector and one of the province's most important economic assets.



The reason to act

BC's technology sector has grown to 9.6% of provincial GDP and 271,000 jobs without these policy recommendations being actioned. So why do we think they are necessary? Because the numbers show what got built - not what didn't.

The fact that BC—proportionate to the size of our economy—has produced more \$1 billion tech companies than Ontario in the last five years makes it crystal clear how costly a decision that is.¹

In business, leaders ask what more can be done to deliver optimal results. In government, leaders ask what has to be done and in a context of budget deficits, limited resources and almost infinite competing asks, it is right that leaders in government say no more often than they say yes.

But deficits cannot be sustained indefinitely. The only way through is growth — durable, compounding, productivity-driven growth that expands the tax base. And in BC's tech sector we can see we're leaving value on the table. The scale-up gap that has persisted for a decade makes it clear: BC has a thriving startup culture and a handful of genuine breakouts, but a weak middle. Other governments tackled similar issues with deliberate policy and investment. BC has been content to bank the success we have.

Opportunity costs are hard to measure and don't sting as much as sunk costs, but they're more damaging in the end. The companies acquired before they reached scale, the founders who relocated in search of growth capital or better tax regimes, the graduates who decided to make their careers

elsewhere, the students who couldn't access training places — all of these are opportunity costs and while none of them show up in the official figures they are the measure of what BC's economy could have been.


BC Tech's June 2026 policy recommendations are the means to capture that value.

"Over the last five years, the tech sector grew three times faster than the rest of BC's economy and now represents 9.6% of BC's GDP as well as 9.2% of BC's workforce, bigger even than BC's resource sector which represents 7.2% of BC's GDP and 3.1% of BC's workforce."

*Jill Tipping
President & CEO, BC Tech*

¹Sources: The Narwhal Project, Canadian Technology Unicorn Tracker; BetaKit, various coverage of Canadian technology company valuations 2020–2025; The Globe and Mail, Canada's Top Growing Companies.

Policy Recommendations At a Glance

 **AI & DATA CAPTURE**
Prioritize data and leverage AI experts

SPECIFIC ASKS

- Establish a standing Premier’s Technology Council for BC
- Publish a BC AI Economic Strategy
- Capture and publish data on BC’s services economy and services exports

 **CUSTOMERS & PROCUREMENT**
Buy from BC companies

SPECIFIC ASKS

- Establish a BC Technology Procurement Task Force to define and adopt ‘Value-for-BC’ as a procurement criteria
- Launch a BC Innovation Procurement Hub to create a pathway from pilot to contract

 **TAX & CAPITAL**
Retain BC’s IP and growth capital

SPECIFIC ASKS

- Deploy the \$400M Strategic Investment Account to back BC’s most promising scale-ups
- Extend flow-through share treatment to technology companies
- Implement a BC Patent Box regime
- Consult and advocate to Ottawa on a QSBS equivalent for Canada

 **SKILLS & TALENT**
Invest in BC’s people

SPECIFIC ASKS

- Invest in tech-relevant reskilling and short-course credentials
- Fund 10,000 additional tech-relevant post-secondary places

Why this matters now

The AI Inflection

AI is restructuring every sector of the global economy and it is happening fast. BC is well-positioned with competitive assets at every layer of the AI economy: clean hydroelectric power, world-class research institutions, deep engineering talent, and tech companies building solutions that harness AI to solve real-world problems. The risk is not that BC lacks the assets, it is that other jurisdictions are moving faster.

The Productivity Imperative

BC faces a compelling need to grow our economy and invest in the fastest growing sectors that create jobs. We cannot tax our way to fiscal sustainability, cut our way to prosperity, or rely on population growth as a substitute for real productivity gains. The tech sector grew three times faster than the rest of BC’s economy over the last five years and now represents 9.6% of BC’s GDP, bigger even than the traditionally dominant resources sector.

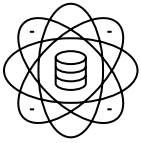
The US Tariff Shock

US tariffs exposed the fragility of goods-export dependence and provoked a long-overdue and welcome conversation about economic sovereignty. Yet 78% of BC’s GDP and 82% of BC’s jobs come from the tariff-resilient services sector. This is the time to double down on BC’s knowledge economy and ensure we are realizing its full potential. That starts with capturing and publishing better data on the services economy.

The Fiscal Reality

BC’s credit rating has been downgraded twice since 2022. Debt service is rising to 8.2 cents per dollar of revenue by 2028–29. Natural resource revenue is 3.1% of revenues, down from 12.5% two decades ago. Against that backdrop, the 271,000 workers in BC’s tech sector, earning wages 70% above the provincial average are a fiscal survival mechanism. They aren’t a drain on government, they fund it.





AI & DATA CAPTURE

Prioritize data and leverage AI experts

RECOMMENDATION 1

Establish a Standing Premier's Technology Council for BC

WHAT IT IS

A permanent standing Premier's Technology Council – a non-partisan, confidential body comprising leaders from across BC's technology sector (AI, enterprise software, quantum computing, cleantech, life sciences, creative technology and more) providing strategic advice to the BC Government on technology trends, economic opportunities and policy priorities.

WHY IT MATTERS

The Council will serve as a direct channel for industry leaders to communicate with government and inform policy and for government to explore ideas in areas of emerging economic significance where internal government data and insights may be limited.

INDICATIVE COST

Minimal

COMPARATORS

- Ontario - Digital and Data Task Force
- Alberta - Technology and Innovation Advisory Committee
- Government of Canada - AI Advisory Council
- Singapore - Smart Nation Advisory Council

RECOMMENDATION 2

Publish a BC AI Economic Strategy

WHAT IT IS

A BC AI Economic Strategy with specific measurable targets for AI-related employment, AI infrastructure investment attracted to BC, government procurement of BC-built AI solutions, and AI skills training completions, with progress tracked annually.

WHY IT MATTERS

BC has competitive assets at every layer of the AI economy: clean hydroelectric power, world-class research institutions, deep engineering talent, and frontier companies. Without a published strategy – with targets, accountability and annual reporting – BC has no way to coordinate investment, attract infrastructure, or signal to global companies that this province is serious.

INDICATIVE COST

Minimal

COMPARATORS

- Ontario - Standing AI Advisory Committee established 2025
- Alberta - AI Data Centre Strategy launched December 2024
- Government of Canada - AI Strategy Task Force created September 2025
- Washington State - statutory AI Task Force created 2024
- UK - AI Opportunities Action Plan launched January 2025
- Singapore - National AI Strategy 2.0 - launched December 2023, updated May 2026

RECOMMENDATION 3

Capture and Publish Data on BC's Services Economy and Services Exports

WHAT IT IS

Establish a dedicated data capture programme within BC Stats, leveraging AI research tools and tech sector expertise to measure the size, composition and growth of BC's services economy with annual public reporting. Include a dedicated services exports chapter from Budget 2027, with equivalent analytical depth to the goods exports analysis already in budget documents, covering export values, growth trends, destination markets, and year-on-year comparisons.

WHY IT MATTERS

Services are 78% of BC's GDP and 82% of BC's jobs – and they are almost entirely absent from the data that drives government decisions. When data is not captured, policy and investment do not follow. BC's fastest-growing export sector is effectively invisible in the data that drives policy decisions.

INDICATIVE COST

\$500k to \$1 million per year

COMPARATORS

Washington State - Department of Commerce publishes an annual exports report covering services trade alongside goods

Ireland - annual Services Exports Report

UK - Office for National Statistics publishes a dedicated Pink Book chapter on trade in services

Australia - publishes an annual Services Trade Statistics publication with sectoral breakdowns

“The development of AI is as fundamental as the creation of the microprocessor, the personal computer, the Internet, and the mobile phone. It will change the way people work, learn, travel, get health care, and communicate with each other. Entire industries will reorient around it. Businesses will distinguish themselves by how well they use it.”

*Bill Gates,
“The Age of AI Has Begun,”
GatesNotes.com, March 21, 2023*





CUSTOMERS & PROCUREMENT

Buy from BC companies

RECOMMENDATION 4

Establish a BC Technology Procurement Task Force to define and adopt 'Value-for-BC' as a procurement criteria

WHAT IT IS

Establish a BC Technology Procurement Task Force to develop the policies, processes and mechanisms to make Value-for-BC operational across government ministries and Crown corporations within 12 months. Canada's federal procurement framework demonstrates that domestic benefit criteria operate within WTO, CETA, CUSMA and CFTA obligations - the CFTA explicitly permits regional economic development objectives in procurement.

WHY IT MATTERS

BC's government spends billions annually on technology services. Even a modest reorientation of that spend toward competitive BC-based suppliers would represent hundreds of millions in annual economic benefit – capital that stays in BC, creates jobs, and generates tax revenue from taxpayer dollars already committed. Value-for-BC as a formal, evaluated criterion in all provincial technology procurement is the equivalent to the federal government's 'value proposition to Canada' standard under the Industrial and Technological Benefits Policy.

INDICATIVE COST

Minimal administrative cost
No incremental procurement cost

COMPARATORS

Government of Canada - 'value proposition to Canada' standard under the Industrial and Technological Benefits Policy.
UK - Social Value Act (2012) and Procurement Policy Note 06/20 resulted in SMEs accounting for 61% of contracts awarded in open tenders by 2026 under the Procurement Act 2023
Scotland - Procurement Reform (Scotland) Act 2014 mandates that all public bodies consider community benefit requirements in major contracts.
Australia - Commonwealth Procurement Rules require agencies to consider value for money including economic benefit to the Australian economy.

"Many countries are drawing the same conclusions – they must develop greater strategic autonomy, in energy, food, critical minerals, in finance and supply chains. A country that can't feed itself, fuel itself or defend itself, has few options."

*Mark Carney, Prime Minister of Canada,
World Economic Forum, Davos, January 20, 2026*

RECOMMENDATION 5

Launch a BC Innovation Procurement Hub - a pathway from pilot to contract

WHAT IT IS

Establish a BC Innovation Procurement Hub modelled on Finland's KEINO Centre for Sustainable and Innovative Public Procurement to provide cross-government coordination and institutional knowledge, and to create a clear pathway from pilot contract to full-scale contract.

WHY IT MATTERS

Innovate BC's Integrated Marketplace Initiative does excellent work funding innovative pilots, but pilots need a pathway to phase two and full-scale contracts. We need to go further to maximise value for BC.

INDICATIVE COST

\$1-2M per year administrative cost - incremental to Innovate BC budget.

No incremental procurement cost

COMPARATORS

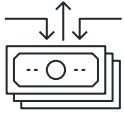
Finland - KEINO Competence Centre for Sustainable and Innovative Public Procurement. Ranked first in the European Commission's 2024 benchmarking of 30 national innovation procurement policy frameworks.

Netherlands - PIANOo, the Dutch expertise centre for innovation procurement

Sweden, Spain, Germany, Austria, Estonia, Greece, Ireland, Italy and Portugal - established innovation procurement competence centres modeled on KEINO.

UK - Crown Commercial Service Technology Frameworks programme and Digital Marketplace





TAX & CAPITAL

Keep BC's IP and growth capital here

RECOMMENDATION 6

Deploy the \$400M Strategic Investment Special Account at the Scale-Up Stage

WHAT IT IS

Deploy the \$400 million Strategic Investment Special Account to back BC's most promising scale-up companies. Prioritize BC-headquartered technology companies with demonstrated product-market fit, strong revenue growth and a credible path to global scale.

WHY IT MATTERS

BC has a thriving startup culture and a handful of genuine breakout successes, but a weak middle due to a lack of adequate scale-up supports and funding mechanisms. Co-investment from the province alongside private capital is required to unlock federal dollars from PacifiCan or from other federal streams.

INDICATIVE COST

No incremental cost

COMPARATORS

Government of Canada — Strategic Response Fund (formerly Strategic Innovation Fund)

Ontario — Invest Ontario Fund - provides loans and conditional grants to companies in technology, life sciences and advanced manufacturing

Alberta Innovates — provides direct contributions, loans and co-investments across technology

RECOMMENDATION 7

Extend flow-through share treatment to technology companies

WHAT IT IS

Advocate to the federal government to extend flow-through share treatment to capital-intensive technology sectors — AI, quantum computing, biotechnology and advanced manufacturing. Once implemented, introduce a provincial top-up credit equivalent to its existing 20% BC Mining Flow-Through Share Tax Credit. The federal government committed in its 2025 election platform to make this change.

WHY IT MATTERS

Flow-through shares provide a funding mechanism for the creation of new qualifying R&D. The tax deduction associated with R&D investment is flowed through to investors who deduct it against other income which increases much-needed capital. It is a tax relief mechanism for capital-intensive companies in the loss-making years that complements the later stage benefits of a patent box once a company is generating taxable profits.

INDICATIVE COST

Cost is demand-driven and self-limiting. Indicative cost comparable to BC's flow-through share treatment for mining and mineral exploration, operating since 2001 and made permanent in 2019.

COMPARATORS

BC and Canada — the existing flow-through share regime for mining and critical minerals

RECOMMENDATION 8

Implement a BC Patent Box

WHAT IT IS

A patent box reduces the corporate tax rate on income generated from qualifying intellectual property, typically by about half. Intellectual property is mobile and a patent box keeps IP and the royalty income and reinvestment it generates in BC.

WHY IT MATTERS

The regime should be deployed to targeted technology sub-sectors that hold significant patents and IP - quantum computing, semiconductors, photonics, cleantech, scientific instrumentation, biotech and life sciences. Well-designed and applying lessons learned from international experience, a patent box will be a valuable strategy to incent the creation of new IP in BC and the retention of existing IP in BC.

INDICATIVE COST

BC's general corporate rate is 12%. Assuming a halving of that rate the indicative costs applied to qualifying technology companies is estimated at \$15–30M per year. Patent use for IP protection is concentrated in specific technology sub-sectors - quantum computing, semiconductors, photonics, cleantech, scientific instrumentation, biotech and life sciences.

COMPARATORS

Ireland - 6.25% patent box rate

The Netherlands - 9% innovation box

UK - 10% patent box

Singapore - 5–10% IP development incentive

No Canadian province currently has a patent box; BC's consultation is the first in Canada.

RECOMMENDATION 9

Consult and Advocate to Ottawa for a QSBS Equivalent for Canada

WHAT IT IS

A mechanism modeled on the US QSBS regime that exempts capital gains on qualifying small business shares if they have been held for more than five years, subject to certain limits (company assets cannot exceed \$75M; a maximum \$15M capital gains exclusion per investor per company).

WHY IT MATTERS

The US QSBS regime has been credited with materially increasing early-stage investment in US technology companies as founders and investors are incented to seek out qualifying investments and typically reinvest exit proceeds into new ventures, keeping capital circulating within the ecosystem.

INDICATIVE COST

Minimal consultation cost

If deployed: cost is dependent on regime design, which could include a rollover requirement that would limit the cost to government to the interest foregone on the tax deferred.

COMPARATORS

UK - Seed Enterprise Investment Scheme (SEIS) and Enterprise Investment Scheme (EIS)

Australia - Early Stage Venture Capital Limited Partnership programme



SKILLS & TALENT

Invest in people – our primary economic asset

RECOMMENDATION 10

Invest in Tech-Relevant Reskilling and Short-Course Credentials

WHAT IT IS

Invest \$30M over three years in 5,000 places for tech-relevant short-course credentials and reskilling programmes that enable people to gain job-ready tech skills faster than post-secondary courses allow. Funding for incremental places creates the demand signal for training providers to invest in instructor and delivery capacity.

WHY IT MATTERS

Workers transitioning from traditional industries and young people keen to kick-start their careers can't necessarily afford the time or the cost of a four-year degree – but with modest subsidy they can afford short course or reskilling programme. And tech employers have demonstrated willingness to hire based on skills competence. Rapid reskilling delivers both economic development and social stability.

INDICATIVE COST

\$30M over three years.

COMPARATORS

BC - Budget 2026 committed \$241M over three years to double investment in skilled trades training

Ireland - Springboard+ programme launched 2011

Singapore - SkillsFuture programme

UK - AI Opportunities Action Plan commits to upskilling 10 million workers with AI training by 2030



“The quality of a nation’s manpower resources is the single most important factor determining national competitiveness. It is the people’s innovativeness, entrepreneurship, teamwork, and their work ethic that gives them that sharp keen edge in competitiveness.”

Lee Kuan Yew, quoted in Allison & Blackwill, Lee Kuan Yew: The Grand Master's Insights, MIT Press, 2013

RECOMMENDATION 11

Fund 10,000 Additional Tech-Relevant Post-Secondary places

WHAT IT IS

Fund an additional 10,000 tech-relevant post-secondary places. At a typical four-year degree, this will result in 2,500 additional graduates each year once ramped and build the pipeline of deeply skilled workers that BC's tech economy needs.

WHY IT MATTERS

BC's Labour Market Outlook projects more than 1.1 million job openings over the next decade, with over 75% requiring post-secondary education. The post-secondary pipeline is not keeping pace with that demand, and public funding for BC's university sector has been flat for over a decade.

INDICATIVE COST

\$50–75M annually in the initial years, scaling as enrolment ramps.

A tech sector worker earning 70% above the provincial average generates approximately \$22,000 annually in provincial income tax equivalent, plus consumption and payroll taxes. 2,500 additional graduates per year at 80% sector employment within two years adds ~\$44M in annual incremental tax revenue – compounding permanently as the cohort grows.

COMPARATORS

Ontario - invested \$750M to fund 20,500 STEM seats in April 2025 and further committed \$6.4 billion over four years in 2026 to fund 70,000 new in-demand seats with an explicit focus on STEM pathways in AI, engineering and nuclear (largest in Ontario's history).

Alberta - \$171M in 2022 creating 10,000 new seats, followed by a further \$111M in 2023 for a further 3,000 seats, \$353M over 3 years in Budget 2026 for expansion in high-demand programmes including technology and engineering (largest in Alberta's history)

BC's economy is not what we tell ourselves it is.

It is time to back the economy we have – not the one we remember.

About BC Tech

BC Tech is the largest member-led technology non-profit in British Columbia, and we're dedicated to turning startups and scaleups into the anchor companies of tomorrow. Our work supports members to grow and diversify their talent pool, acquire new customers, access capital and accelerate their scaleup journey. Technology is a key industry for BC's future and builds resiliency in every industry. Today, every company is a tech company.

To learn more visit wearebctech.com

*Grounded in A New Economic Narrative for BC: Five Years On (BC Tech Association, June 2026)
Our thanks to BC Tech's Tax Policy Committee for their support in building these recommendations.*



