



T R I P L E H E L I X

**Perspectives from Alberta for Better Defence
Industry-Government Relations**

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CONFERENCE REPORT

PERSPECTIVES FROM ALBERTA FOR BETTER DEFENCE INDUSTRY-GOVERNMENT RELATIONS

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On September 23, 2025, Triple Helix partnered with ConvergeX and Prairies Economic Development Canada (PrariesCan) to host a roundtable discussion in Calgary, Alberta to examine the perspective of Alberta’s defence industry regarding innovation, procurement, sovereignty and industry-government relations. The event brought together stakeholders from industry, government, and academia, including defence firms, regional economic development agencies, research institutions, and workforce training organizations.

Throughout the conversation, it is clear there is a strong interest from government, industry, and universities in advancing Canada’s defence industrial base. However, systemic issues identified include (1) core skills shortages; (2) opaque procurement processes; (3) investment barriers; (4) weak regional inclusion that continue to impede progress. Participants acknowledged that strengthening sovereign capabilities will require coordinated investment in workforce development, streamlined procurement processes, improved communication, and regionally inclusive strategies that leverage the strengths of Western Canada alongside national priorities.

What has been your experience engaging with the department of National Defence’s or the government of Canada’s innovation programs (e.g., Innovation Solutions Canada, Innovation for Defence Excellence and Security)? If you have not engaged in any of these programs, why?

Industry stakeholders reported that participation in federal innovation programs, such as Innovation Solutions Canada and IDEaS, has often felt daunting for small and medium-sized enterprises. Some described the programs as having overly complex process and bureaucratic requirements, which act as barriers even before any funding has been awarded. Although tools exist on the Government of Canada websites, they are described as difficult to understand and navigate, often discouraging smaller firms from even participating. Some participants compared those to U.S. Government Services Administration (GSA) contracts, which provide clearer intake mechanisms that translate government processes into more accessible terms. As one participant suggested, Canada needs a ‘Sesame Street’ version of procurement that is straightforward, transparent, and designed to lower the perception of impossibility that deters new entrants.

Further, a secondary barrier identified was the lack of a procurement vehicle once the initiatives had been completed. While most programs provide a first opportunity for smaller companies to engage with the government and showcase their innovation and potential usefulness, they raised concerns in moving to the next step and bringing their project to market. Certain programs offer initial funding or support; however, there is often no clear path to commercialization or procurement afterwards, which diminishes the impact of innovation programs for firms seeking to scale.

Participating government representatives acknowledged that some of the program design and delivery remains centralized, often favouring firms that may be well-connected or located to federal centres. Further, they suggested that regional firms may lack awareness of programs or

may be excluded by default if they cannot satisfy certain eligibility or capacity prerequisites. Some participating representatives recognized that various innovation programs do not sufficiently account for downstream steps required, such as procurement or adoption, to translate innovation into operational capability. They suggest that part of the solution is relying on established strategic advisors that know the system, to help businesses navigate more effectively.

University representatives described themselves as frequent collaborators or beneficiaries of federal innovation programs, particularly those focused on research and development. Participants did not directly reference specific experiences with federal innovation programs. Instead, they emphasized the broader role that universities can play in advancing Canada's defence innovation ecosystem. Representatives noted that universities have a responsibility to contribute through research and rapid development, particularly by identifying problems and exploring new ways of designing and producing within Canada. Their comments also highlighted the importance of collaboration, stressing that universities should work in partnership with industry and government to move Canada forward.

How should the federal and provincial government go about developing a more strategic relationship with industry?

Early in the conversation, participating firms emphasized that the Government of Canada must simplify and strengthen the pathways for engagement if it aims to build more strategic relationships with the defence and security industry. A reoccurring stance was that Canadian firms often receive interest internationally, such as requests related to first responder technologies, yet these opportunities are harder to capture domestically due to bureaucratic constraints that inhibit them from acting decisively. Particularly in cases where the environment is rapidly changing, some companies find it difficult to give potential contracts consideration if they are not sure they will be able to secure the necessary support from government. Some noted that in the defense industry, this is especially important as companies try to respond to urgent technological demands, such as those created by the war in Ukraine, where a six-month delay due to red tape undermines opportunities for timely support.

At the provincial level, some industry stakeholders highlighted fragmentation as a major challenge. In Alberta, for example, the Alberta Aviation, Aerospace and Defence Council has worked hard to create a forum for engagement, but representatives noted that without federal and provincial support, its impact remains limited. Several participants suggested that a well-resourced provincial council could provide much needed continuity and stability, helping industry navigate despite frequent turnover of government personnel. Regular structures like Joint Economic Development Initiative (JETI) meetings, western Canadian summits, and industry networking nights were seen as critical for building cohesion, reducing silos, and ensuring western Canadian industry voices are heard directly. Some participants recommended that such a council also maintain a living database of Canadian defence companies, updated annually and including

ownerships, workforce, and homebase details to provide a clear picture of Canadian capabilities and gaps.

Government respondents agreed that relationships with industry requires trust-building through consistent, long-term commitments rather than short-lived conversations and initiatives. They stressed the need to reduce the distance between operational end-users (e.g. military or first responders) and industry innovators, so that industry can better understand operational needs as well as market vulnerabilities and the government better understands what industry can deliver.

A central theme raised by industry and academia was that much of the defence conversation in Canada focuses on technology and innovation, but Canada faces a more fundamental challenge: the erosion of core skills in trades and manufacturing. Industry representatives noted that finding individuals in specialized trades is becoming increasingly rare in Canada, even though they are essential for sustaining defence manufacturing and supporting the push for innovation. Many Canadian firms serve U.S. clients, but lack sufficient domestic capacity, creating a dependency that undermines Canadian sovereignty and competitiveness.

Industry participants warned that once companies downsize or close, the skills base shrinks with them, and rebuilding these capabilities is difficult, timely and costly. Compounding this problem are talent development and retention issues. Firms report limited support and little clarity on where to turn within government for help maintaining skilled labour. Smaller manufactures in particular struggle to afford the costs of retaining talent, making it difficult to balance daily operations with the need to train and expand their workforce to meet demand.

University and polytechnic intuitions echoed these concerns. Some noted that funding for polytechnics and technical colleges is often tied to “bums in seats,” prioritizing volume over strategic skill development. This results in few specialized programs in areas where Canada already faces acute shortages. With a significant number of new graduates pursuing opportunities abroad, Canada risks losing both its talent pipeline and the ability to build a resilient domestic defence industrial base.

Financial barriers also remain significant for industry. While the Business Development Bank of Canada (BDC) and Export Development Canada (EDC) are formally open to defence investment, they lack sector expertise, limiting their impact. Provincial governments have shown interest, but their systems are not well aligned with defence industry needs. Traditional banks, guided by IMF standards that tend to deem defence spending as ‘unethical,’ further constrain government and private sector investment. The experience of industry suggests that this results in a broad perception among investors that defence is a sector to avoid as it is both unfamiliar and high-risk. Industry representatives stressed that the Government of Canada has a critical role to play in de-risking the sector for private investors. Working alongside industry to educate banks and investors and creating a more informed investment ecosystem.

Findings and Cross-cutting Messages

Across industry, government, and universities, several lessons emerged repeatedly:

- Effective sovereignty is as much about people, processes, and institutions as it is about products and technology.
- Transparent, predictable procurement and innovation pathways are essential to reduce risk and build trust.
- Regional inclusion, particularly, ensuring that provinces outside Ottawa-centred systems are visible and heard, is critical.
- Skills and workforce development are foundational; without technical and trade skills, innovation cannot scale.
- Access to capital and reducing financial barriers for investors and required for industry to grow and contribute to sovereign capability.

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