

Life Sciences Ontario

Submission for Pre-Budget Consultations in Advance of the 2023 Ontario Budget

February 10th, 2023



Dear Ministry of Finance,

Life Sciences Ontario (LSO) appreciates the opportunity to provide our recommendations ahead of the 2023 Ontario Budget. LSO is a not-for-profit organization that advocates on behalf of Ontario's vibrant and diverse life sciences sector, including companies working in biopharmaceuticals, agriculture, agri-food, the bioeconomy, medical devices, animal health, environmental technologies, and more. As one of the leading jurisdictions in North America for the life sciences, Ontario's life sciences sector [contributes \\$58.1 million to Ontario's GDP and supports nearly 200,000 direct and indirect jobs](#). Through advocacy and education, LSO seeks an aligned and inclusive voice on policy issues to support the commercial success and growth of Ontario's life sciences companies.

Recognizing the significant economic contributions of Ontario's life sciences sector, please see below our three recommendations for the 2023 Budget.

1) Implement Ontario's Life Sciences Strategy and establish the Life Sciences Council

LSO welcomes the announcement of Ontario's Life Sciences Strategy in 2022. The [strategy](#) aims to establish Ontario as a global leader in biomanufacturing and the life sciences by 2030. It proposes four key goals: grow Ontario's biomanufacturing output; improve domestic supply of PPE and critical medical supplies; strengthen commercialization capacity of Ontario companies and SMEs; and adopt made-in-Ontario innovations into our health system. To meet these goals and completely unlock the economic potential of Ontario's life sciences sector, we must ensure that the strategy receives full implementation. **This should include the establishment of Ontario's Life Sciences Council, who can advise on the implementation and the next stages of the strategy.**

2) Develop a procurement plan to accelerate the adoption of made-in-Ontario innovations

Ontario's Life Sciences Strategy recognizes the importance of procuring Ontario-made innovations into our health system. Life sciences innovators and entrepreneurs, including medical technology companies, offer new solutions to alleviate our current health system challenges, such as surgery backlogs and increased wait times. However, [policy and regulatory barriers](#), including Canada's obligations under international trade agreements, complicate the public sector procurement process in Ontario. Due to these barriers, many life sciences companies decide to sell their products elsewhere or move their businesses to other jurisdictions.

Recent government initiatives, such as the Building Ontario Businesses Initiative, are important first steps to addressing barriers to procurement. **To become a globally**

competitive life sciences hub, Ontario should consider a mandatory procurement with set-asides program (MP/SA) that will prioritize the early adoption of made-in-Ontario innovations into our health system and support SMEs. Canada can continue to honour its obligations under international trade agreements, such as CETA, if public procurement is under the thresholds specified in the agreement. For public procurement over these thresholds, MP/SA is still feasible if there is no discrimination based on country of origin.

Similar MP/SA policies already exist in other jurisdictions, such as the U.S., U.K., and Australia, and have shown positive benefits. By readily adopting domestic health innovations, Ontario can add value to its health system, strengthen our resiliency, and support the Ontario government's plan to improve the delivery of patient-centered, digital health services. As Ontario plans to modernize our supply chain to strengthen our economic security, a MP/SA program can help meet these goals by integrating Canadian technologies into global supply chains. This will also boost Ontario's long-term economic growth and competitiveness by keeping Ontario life sciences companies, especially SMEs, in Canada.

3) Develop a Rare Disease Strategy for Ontario

One in 12 Canadians have a rare disorder. Yet patients with rare disorders often face barriers to timely and accurate diagnoses and access to new medicines and treatments. **For the 2023 Budget, we strongly urge you to support a provincial rare disease strategy.** Ontario should align its rare disease strategy with initiatives from other jurisdictions, such as Quebec's rare disease policy and the federal government's commitment toward \$500 million in funding per year, starting in 2022-2023, for drugs that treat rare diseases. In LSO's report, [Cast Our Pebble Into the Pond](#), we advocated for a provincial rare disease strategy and provided five strategic pillars to form the basis of this strategy. A provincial rare disease strategy should be viewed as a long-term investment that has both equal health and economic benefits for Ontarians.

Thank you for your consideration. We welcome any questions you may have about our recommendations or Ontario's life sciences sector.

Sincerely,



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