

The Honourable Peter Bethlenfalvy
Minister of Finance
Frost Building North, 3rd Floor
95 Grosvenor Street
Toronto, Ontario M7A 1Z1



RE: Submission for Pre-Budget Consultations 2024

Dear Hon. Peter Bethlenfalvy,

Life Sciences Ontario (LSO), a not-for-profit organization funded by its members, is dedicated to championing Ontario's dynamic life sciences sector. Our primary focus is advocating for public policies that foster growth and advancement of the sector. We collaborate with government, academia, industry, and other life sciences organizations to promote commercial success in the sector. 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.

Key Facts:

- Ontario's sector contributes \$58.1 billion to the GDP and \$8.8 billion in government revenue contributions.
- Accounting for direct, indirect, and induced contributions, the life sciences sector supports an estimated total employment of ~191,000 jobs for Ontarians.
- Ontario accounts for 51% of life sciences R&D in Canada and is home to 51% of all R&D life sciences personnel.

Vision:

LSO and our members are aligned with the Province's life sciences strategy: "*Taking Life Sciences to the Next Level*" which aims to establish Ontario as **a global biomanufacturing and life sciences hub, leading in the development, commercialization, and early adoption of innovative life science products and services**. As such, our recommendations are structured under the themes identified within this strategy.

Research and Commercialization:

Recommendation # 1 Commit to the creation of an Ontario Rare Disease Strategy. The first step towards this goal should be signing the bilateral agreement as part of the federal governments' National Strategy for Drugs for Rare Disease, which offers a significant funding pool of up to \$1.4 billion over three years. Strategic engagement with stakeholders, including patient organizations, alignment with parallel initiatives such as Quebec's rare disease policy, and a nuanced approach to leveraging federal commitments are also integral aspects of this recommendation.

Recommendation # 2 Match the federal funding for research infrastructure components of the Canada Biomedical Research Fund (CBRF) and Biosciences Research Infrastructure Fund (BRIF) programs. This commitment will advance Ontario's research hubs, fueling job creation and economic activity.

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Recommendation # 3 Match the federal investments in SciNet to support high-performance computing infrastructure to support transformative research and innovation.

Building Pathways to Adoption:

Recommendation # 4 Commit to building innovation pathways and developing a comprehensive strategy to support the early adoption of innovative life sciences technologies in Ontario.

Recommendation # 5 Commit to the establishment of a robust \$100 million Life Sciences Fund that specifically targets investments in the \$2-10M range. There is a significant gap in this range of funding to support growing life sciences companies in Ontario and this strategic fund would help take Ontario's life sciences to the Next Level.

Sustaining and Unlocking Capital:

Recommendation # 6 Commit to the development and implementation of a tax measure, specifically an angel investor tax credit, to encourage individuals to invest in areas of life sciences innovation.

Recommendation # 7 Commit to develop policies that support robust and diverse risk-capital ecosystem that includes start-up capital (venture capital, angel investors, government programs), as well as transformational capital, such as that found on the public capital markets. Engage Ontario pension funds to help support Ontario innovators.

Value-Based Outcomes:

Recommendation # 8 Commit to the adoption of value-based outcomes into government procurement processes for health innovations, as they become available. This strategic imperative transcends cost considerations, emphasizing outcomes rooted in value. Such an approach strengthens the health system's capacity, reduces overall costs, and invariably enhances health outcomes for patients.

Strategic Growth and Investment:

Recommendation # 9 Allocate \$1 million to Invest Ontario (or a third-party life science organization) to spearhead an Ontario investment mission at influential annual conferences such as the BIO International convention and the MedTech Conference. This strategic investment aims to elevate Ontario's visibility on the global stage, attract high-value investments, promote collaboration and partnerships, and effectively positions the province as open for business in key markets.

The recommendations presented are poised to propel Ontario's life sciences sector to new heights, fostering a landscape of sustained growth, innovation, and international leadership. We appreciate the

opportunity to provide our recommendations ahead of the 2024 Ontario Budget. Thank you for your consideration, we welcome any questions you may have about our submission.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jason Field', is placed over a white rectangular background.

Dr. Jason Field
President & CEO
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