



LIFE SCIENCES ONTARIO

2025-26 ONTARIO PRE-BUDGET SUBMISSION



On behalf of Life Sciences Ontario (LSO), thank you for the opportunity to provide feedback on the 2025 Ontario pre-budget consultations.

LSO is a not-for-profit organization that represents and promotes Ontario's vibrant and diverse life sciences sector. Members of LSO include life sciences companies, entrepreneurs, members of academia, and service providers from many different areas of the life sciences ecosystem, including biopharmaceuticals, agriculture, agri-food, the bioeconomy, medical devices, animal health, environmental technologies, and more.

Ontario is currently home to one of the largest life sciences clusters in North America. The sector supports a thriving research and innovation ecosystem, contributes \$58 billion to Ontario's GDP, and provides almost 200,000 direct and indirect jobs for Ontarians. About 1-in-13 jobs in Ontario are in life sciences or supported by its activity, and job wages in the sector are almost 25% higher than the provincial average.¹

As part of its 2025 pre-budget consultations, the Ontario government has called for ideas to strengthen the economy and enhance quality of life across the province. In response, LSO is pleased to propose the following recommendations that align with these priorities and will help position Ontario as a global leader in life sciences innovation, driving sustained economic growth, enhancing health outcomes, and creating new opportunities for Ontarians:

- 1) **Establish a dedicated life sciences fund:** Despite being a global leader in research output, Ontario lags in translating its innovations into tangible economic benefits. The issue is that many start-ups face challenges securing early-stage capital, which is needed to successfully commercialize their innovations. To address this critical funding gap, Ontario should create a specialized life sciences fund, targeting 10-12 investments per year in the \$2-10 million range, that focuses on de-risking seed and pre-seed projects. By targeting start-ups with high-potential technologies and addressing unmet needs, this fund would help life sciences companies navigate the "valley of death," preventing the loss of top talent and intellectual property (IP) to other jurisdictions that offer more robust investment ecosystems. It could also catalyze private investments and stimulate economic growth.

Furthermore, it is essential to strengthen Ontario's domestic life sciences sector as a key driver of innovation and growth in Canada, especially in light of impending U.S. trade tariffs. Restrictions on cross-border movement are likely to increase costs, reduce accessibility in healthcare systems in both countries, and delay the delivery of critical therapies. LSO urges Ontario to continue investing in life sciences while also emphasizing the importance of maintaining a strong role in global value chains.

¹ https://lifesciencesontario.ca/wp-content/uploads/2019/03/LSO-Economic-Study_Final-Report_28FEB2019.pdf

- 2) **Move forward on a chronic disease care strategy:** On April 19, 2023, the Government of Ontario unanimously passed Motion 45, which recommended that the Minister of Health “develop a provincial framework that ensures that every Ontarian has access to quality care for chronic diseases and that is designed to improve chronic disease care, addressing prevention, management and treatment with an initial focus on diabetes.”² However, nearly two years later, progress on this framework remains limited. While the 2024 budget earmarked \$85 billion for health care, no specific funds were allocated for a chronic disease care plan, despite evidence that such targeted investments could save billions by reducing the burden of diabetes and other chronic conditions.³ LSO therefore recommends an initial \$5 million in dedicated funding for Ontario Health to expedite the development and implementation of this crucial initiative.
- 3) **Develop a provincial rare disease framework:** Rare diseases, when combined, affect a significant number of Ontarians but often receive limited attention due to their complexity and low prevalence. LSO commends the Ontario government in taking a significant step forward in tackling rare diseases by signing a National Strategy for Drugs for Rare Diseases agreement with the Government of Canada, investing \$535 million over three years. As a next step, establishing a dedicated framework for advanced diagnosis and care would not only improve patient outcomes but also attract investment to Ontario’s life sciences sector. Furthermore, by creating a provincial rare disease framework, Ontario can optimize the allocation of the \$535 million of federal funding, while aligning with national initiatives, such as the Canadian Rare Disease Strategy (launched by the Canadian Organization for Rare Disorders in 2015). For more insights, please see LSO’s vision paper on [how adopting a provincial rare diseases strategy would save lives and boost Ontario’s economy](#).
- 4) **Accelerate patient access to medicines:** Timely access to medicines is critical for improving health outcomes and ensuring the long-term sustainability of Ontario’s healthcare system. However, current review and funding processes often delay access – particularly for life-threatening conditions like cancer. To address these challenges, Ontario should collaborate with other provinces and territories to shorten the pan-Canadian Pharmaceutical Alliance (pCPA) process and streamline the transition from pricing agreements to public funding. This approach aligns with Premier Ford’s recent commitment – announced at the 2024 Council of the Federation meeting in Toronto – where Canada’s Premiers pledged to take meaningful action to speed up approvals for life-saving medications, beginning with cancer.⁴ Reaffirming and detailing the rollout of an accelerated access program, and its expansion into other therapeutic areas beyond

² Legislative Assembly of Ontario, Private members' motions, <https://www.ola.org/en/legislative-business/status-business/private-members-motions>

³ <https://www.canadalife.com/insurance/group-benefits/financial-impact-chronic-disease.html?utm>

⁴ <https://canadaspremier.ca/premier-discuss-important-issues-for-canadians/>

cancer, in the upcoming budget would further expedite the availability of cutting-edge therapies and enhance patient care across the province.

- 5) **Leverage preventative healthcare tools:** An emphasis on preventative healthcare can help reduce the long-term burden on Ontario's healthcare system while improving patient outcomes. For example, expanding the province's lung cancer screening program will encourage more Ontarians to get screened early, improving their chances of successful treatment. Additional investments in public health should also be directed at enhancing Ontario's vaccination programs. For instance, updating adult vaccination programs with the latest approved vaccines will help to better protect older Ontarians against serious diseases, like pneumococcal disease. Strengthening vaccination coverage rates – particularly in the HPV school-based program – is also essential to preventing cancers linked to HPV and minimizing future healthcare costs.

Thank you for the opportunity to provide our input.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jason Field', is positioned above the typed name.

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Encl.