House of Commons
Chambre des communes
CANADA

House of Commons Standing Committee on Finance – Pre-budget Consultations 2013

This brief is submitted by:

(•) **an organization** **Organization name:** BIOTECanada

or

( ) **an individual** **Name:** _____

Topic: Health

*Recommendation 1: Please provide a short summary of your recommendation.

Investing in Health:

The Government of Canada could build upon the success and legacy of Budget 2007's federal immunization program, by re-investing $100 million/year for a 3 year period into a pan-Canadian fund that would enhance Canadians' access to vaccines - consistent with the recommendations of the National Advisory Committee on Immunization (NACI).

Total federal cost: $300 million over 3 years

Vaccine procurement currently represents less than 0.5% of Canada's public health spending.

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

$100 million -$499.9 million

3 years

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

The federal Ministers of Health and Labour should work with their provincial counterparts to determine the most viable funding method to ensure funds are specifically designated to provincial immunization programs. Distinct program funds would enable better tracking and evaluation in order to assess vaccination rates and the program's successes.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

Vaccines are an investment in prevention and the avoidance of higher-cost treatments in the future. Previous federal efforts in this area have been successful – but there is a current gap between the number of Health Canada approved and independently recommended vaccines and the provinces' capacity to ensure their use in our health system.

This re-investment by the federal government would help ensure Canadians, in all regions, would have equitable access to recommended vaccines.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

Vaccine spending represents a small segment of Canadian health care expenses even though vaccination programs are widely acknowledged as among the best investments in health care, providing immense medical and economic benefits.

Vaccines are a proven, cost-effective investment for the health of all Canadians – an important factor in ensuring economic performance and labour market participation.

Federal leadership in facilitating access to cost-effective immunizations would ensure that the Canadian workforce is healthier and able to work, produce and invest.

Topic: Innovation and commercialization

Recommendation 2: Please provide a short summary of your recommendation.

Investing in Innovation:

Recognizing that biomass conversion technologies have evolved since the introduction of Sustainable Development Technology Canada's NextGen Biofuels Fund in 2007, we recommend that the government and SDTC work collaboratively to remove the requirement that facilities receiving funding under this program must produce biofuels, in favor of a program that enhances commercialization opportunities for companies with alternative biomass conversion technologies and primary outputs that have an environmental benefit (i.e. bio-chemicals and bio-plastics).

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

≤$499,999

Immediately

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

There are no new costs associated with this ask. BIOTECanada is simply recommending that the program parameters be broadened to allow biomass conversion technologies with primary outputs other than biofuels to qualify under the program.

This is a $0 cost ask.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

The program's requirement that projects produce biofuel is overly restrictive given the evolution of biomass conversion technologies, since the program's inception. These technologies are providing new market opportunities for agricultural producers, forest companies and rural communities around the globe. To help ensure Canada remains a competitive jurisdiction in terms of attracting these very significant investments we recommend broadening the applicability of this important technology commercialization program.

Sectors that would benefit: manufacturing, agriculture, forestry, clean tech

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

Commercializing biomass conversion technologies is capital intensive, and presents novel risks for the debt finance community. Equity financing is not consistently available and has been difficult to source in Canada at sufficiently attractive rates of return. The aim of the NextGen Biofuels Fund was to help bridge this high CAPEX gap and remove the final elements of technology risk in bringing new biotechnologies into the market. Broadening the program's applicability help attract new investment, create new jobs and bring environmentally sustainable products to market.

Topic: Innovation and commercialization

Recommendation 3: Please provide a short summary of your recommendation.

Improve Canada's competitiveness as a leading jurisdiction for capital intensive R&D and commercialization initiatives by making banked SR&ED tax credits fully refundable if the proceeds are ploughed back into first-of-kind-in-Canada high CAPEX commercialization or R&D projects.

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

$100 million -$499.9 million

1 year

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

There are approximately $7 billion in banked SR&ED tax credits on the books in Canada. Allowing Canadian companies to cash-in these credits to pursue capital intensive R&D or commercialization projects would have a positive effect on the Canadian economy while helping to address a top priority of the federal government - ensuring more basic and applied research is commercialized here, in Canada. To manage the costs of this policy change an annual cap on refunded credits (i.e. $500 million) could be established.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

The suggested change would benefit entrepreneurs in all innovative sectors, but especially clean tech and biotech companies whose technologies often face significant financial hurdles when it comes to commercialization. Allowing earned credits to be cashed-in, for use in capital intensive R&D and commercialization projects would benefit Canada's economy immediately and improve our competitiveness as a favoured global R&D jurisdiction by offsetting the impact of excluding capital expenditures in the SR&ED program.

Sectors benefitting: clean tech, biotech, manufacturing, agriculture, forestry

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

For small, start-up, cash-strapped companies finding a significant capital infusion, at the right time, to pursue new opportunities often means the difference between business growth or stagnation. Yet, despite the need for additional capital, each year hundreds of Canadian companies, are unable to take advantage of earned tax credits for undertaking world-class R&D in Canada. By changing the refundability policy and unlocking the potential of these earned credits, the government can help ensure Canadian companies have a fair chance at commercializing their research at home.

Please use this page if you wish to provide more explanation about your recommendation(s).

*Please note that at least one recommendation must be provided