

Check Against Delivery

Thank you for the opportunity to appear today and to speak to the 3 point action plan presented by the Canadian biotechnology industry through our national association BIOTECanada

- My name is John Hyska and I am the CFO and COO of Phenomenome Discoveries located here in Saskatoon. Our company(1 sentence to capture the leadership role of Phenomenome operations)
- I have the pleasure of being here today to speak to the dynamic value of the Canadian biotechnology industry as it contributes to the long term sustainable economic recovery and growth of our national economy
- The bio-economy brings increased economic growth, high skilled jobs, more effective health care spending, improved productivity, and globally competitive leadership in research commercialization.
- Innovative technology entrepreneurs like myself need an alignment of public policy that drives local investment, adopts our technologies and ensures we can compete against the world
- Our next generation industry requires and spends somewhere between 1 billion to 1.5 billion of new private investment capital each year
- As our companies grow, we generate billions in sales and add jobs for Canadians
- This is before we create any more companies, or bring another product into development.
- Our recommendations highlight how Canada can take 3 steps to further build prosperity through the bio-economy by helping to generate capital for Canadian operations, balancing incentives for investments and investing in measures to save health care spending
 1. Enable Risk Capital Formation for Domestic Spending: Expand the flow-through shares program to junior biotechnology companies in Canada.
 - The cost of the FTS program is not an expenditure but defers tax revenues and is recouped as companies spend money on R&D in Canada and as investors sell their shares and pay more capital gains than they would have otherwise.



2. Improve Global Competitiveness for All Domestic R&D Jobs: Remove the Canadian-controlled private company (CCPC) restriction for refundable credits from the Scientific Research and Experimental Development (SR&ED) tax credit program.
 - This recommendation has been brought to government previously and calls for action in order to secure the growth of companies here in Canada who are successful in attracting investment into their operations.
 - The incentive to spend on local jobs should extend to all companies not just CCPC's.
 3. Sustain Federal Vaccine Funding for Healthcare Savings: Invest in new vaccines that provide world- class care and save costs in our health care system.
 - Canada has long been at the forefront of vaccine discovery and development. Successful public health investments realize direct and constant cost savings to our health care delivery system.
- Much has been said about ensuring Canada manages its spending and deals with its national deficit.
 - The challenge for the federal government is to ensure expenditures actually result in a rate of growth and return for the economy.
 - More than 1 million Canadian jobs are a result of our bio-economy, and we are supporting \$87 billion of our nation's gross domestic product (GDP). This has grown even during the recent economic downturn.
 - Biotechnology is a catalyst for dozens of traditional industries seeking to modernize their operations, grow our global competitiveness and manage our natural resources.
 - From forestry to agriculture, from renewable energy to environmental remediation, from manufacturing to new cleaner chemicals, biotechnology is generating new ways of doing business.
 - Canada has almost 600 companies looking to build their operations here, hire skilled workers and bring our product to the global marketplace.
 - Being hindered by a competitive lack of investment in our technologies is not a sustainable business practice—for our companies or for our governments.
 - The recommendations outlined here today bring solutions to the federal government to allow for economic growth for today and well into our future.

