



Building a Healthier, More Competitive Canada through Health and Life Sciences Investment in Budget 2026

**HealthCareCAN's submission to the House of Commons
Standing Committee on Finance**

May 20, 2026

Recommendations

HealthCareCAN recommends the federal government:

- 1) Partner with the life sciences sector, including hospitals, health authorities and health research organizations to develop a federal life sciences industrial strategy with clear targets and accountabilities which rallies the sector and government around shared priorities and guides needed government investments.
- 2) Strengthen Canada's clinical trials system by renewing long-term CIHR funding for national platforms, setting a national start-up standard for patient enrolment, and investing in core clinical trials teams, equipment and tools at hospitals and networks, with targeted capacity at community sites.
- 3) Launch a 10-year federal capital health infrastructure program with two dedicated streams, physical and digital, front-loaded to deploy most funding in the first five years to maximize impact, with predictable funding sustaining maintenance and expansion through year ten.



Executive Summary

Canada is at an inflection point, with an urgent need to boost weak productivity, modernize infrastructure and reduce barriers that slow innovation and growth. Canada's health and life sciences sector can help meet these challenges, but only in partnership with the federal government.

The global competition for life sciences investment, clinical trial activity and health innovation is intensifying. Countries winning that competition have strategies, sustained investment and the institutional capacity to execute. Canada has the talent, research strength and public institutions to compete, but has not yet created the conditions required to commercialize more Canadian innovation, attract private-sector investment and scale homegrown companies.

HealthCareCAN is the national voice of Canada's hospitals, health authorities, health research institutes and healthcare organizations. Our members operate at the intersection of care, research, commercialization and system adoption. They train the health and research workforce, run clinical trials, validate and adopt Canadian technologies, connect researchers and innovators, and provide the physical and digital infrastructure that helps innovation move from discovery to commercialization to patient care. Our members are not peripheral to the life sciences economy. They help make it possible.

This submission makes the case for three interconnected priorities in Budget 2026. First, Canada needs a federal life sciences industrial strategy developed in partnership with the sector, including the hospitals, health authorities and research organizations where innovation is tested, adopted and scaled. Second, Canada needs targeted investments to strengthen its clinical trials system by stabilizing

and increasing capacity, standardizing start-up performance and expanding access. Third, Canada needs a long-term federal commitment to physical and digital health infrastructure that treats hospitals, health facilities and health networks as critical national infrastructure for patient care and economic growth.

These are not disconnected recommendations. A stronger life sciences strategy creates the roadmap for more clinical trials, commercialization and Canadian industrial activity. A more competitive clinical trials system attracts investment, builds talent and generates returns. Modern health infrastructure enables better care, supports innovation adoption and makes Canada more attractive for private investment. Together, they form the foundation of a nation-building life sciences industrial approach designed to accelerate growth, strengthen critical supply chains and enhance national sovereignty.

Recommendation 1:

Develop a life sciences industrial strategy

Canada has the building blocks of a world-leading life sciences sector, with biomedical research excellence, a growing base of companies and strong public institutions, but without a coherent strategy, we are leaving economic growth on the table.

Canada can build a globally competitive life sciences economy by embracing hospitals, health authorities and health research organizations not just as delivery settings, but as powerful engines of innovation and growth. These organizations are part of the country's innovation and commercialization infrastructure. They generate and validate discoveries, host industry partnerships, run clinical trials, adopt and refine technologies, train talent and create real-world environments where Canadian firms can secure evidence, credibility and a first domestic customer. We are where innovation moves from idea to impact.

The scale of the opportunity is clear. Canada's life sciences and bio-economy sector is a major employer, with approximately 200,000 people employed across 12,000 organizations in 2019, but the sector expects [65,000 new jobs](#) will be needed by 2029. The sector contributes about 2 per cent, or [\\$82.1 billion](#), to GDP each year, but its potential is often estimated to be much higher. Demand for research, products and services generated by the life sciences sector is projected to grow in line with the needs of the healthcare sector, at a rate of [10% annually](#) over the next decade.

Yet, while Canada is globally recognized for excellence in biomedical research and genomics, we rank [17th](#) out of the top 25 innovative countries. Even with more than 2,000 life sciences companies, more than double as many higher-ranking peers, we still struggle to realize the full potential of our life sciences industry.

Canada's competitors are moving aggressively with aligned national strategies, faster regulatory pathways, stronger commercialization supports and clearer routes to domestic scale-up of new innovative technologies and companies. If Canada is to keep pace, we recommend the federal government:

- **Work in partnership with the life sciences sector to develop a national life sciences industrial strategy with clear targets, timelines and accountabilities.**
- **Ensure that hospitals, health authorities and health research organizations are explicitly included in that work as core enabling infrastructure for commercialization, clinical trials, procurement, technology adoption, talent development and domestic scale-up.**
- **Ensure the national strategy includes practical steps to strengthen Canadian commercialization, increase the number of Canadian firms that can scale at home, improve domestic manufacturing and trial capacity, and create better pathways for Canadian innovations to be tested, adopted and purchased in Canada before they scale abroad.**

Recommendation 2:

Invest in Canada's clinical trials system to strengthen economic growth and competitiveness

Clinical trials are one of the clearest examples of Canadian healthcare and life sciences at their best: world-class researchers, public institutions and private-sector investment working together to give patients earlier access to promising new therapies while creating jobs, attracting capital and strengthening Canada's global competitiveness. Canada remains a strong destination for clinical trials, but our position is increasingly under pressure as faster and more coordinated jurisdictions compete to become a market of choice.

Canada has the potential to be more than a middle power in clinical trials, but only if we address three persistent barriers. First, start-up timelines are too slow and inconsistent across the country. Second, delivery capacity is too fragmented and unstable. Third, infrastructure gaps, especially outside large academic centres, limit Canada's ability to attract and run trials efficiently at scale. These are not abstract system problems. They directly affect whether Canada wins or loses industry investment, jobs, intellectual property and early patient access to new treatments. They also affect whether Canadian biotech and biopharma firms can grow at home or are forced to look elsewhere for the conditions to test, validate and advance their innovations.

The institutions that run trials are also part of the country's economic infrastructure. Hospitals, health authorities and research institutes do not simply host clinical trials as an "add-on" to care. They provide the teams, facilities, digital systems, patient access and operational environments that make trials possible. They are the national platform on which sponsors, researchers and emerging companies depend.

Budget 2026 is an opportunity to address critical gaps in our clinical trials infrastructure, and our ability to compete globally. We recommend the federal government:

- **Renew long-term CIHR funding for national clinical trials platforms to provide the stable national coordination architecture that sponsors, investigators and health organizations depend on to secure and execute clinical trials in Canada. This should include sustained support for national platform capacity, coordination, shared tools and infrastructure that enable Canada to compete for more trials.**
- **Set a national start-up standard requiring all sites to begin enrolling patients within 75 days of a Health Canada Clinical Trial Application, covering research ethics board review, contracts, budgets and all key activation steps.**
- **Provide targeted capacity-building investments for hospitals and research institutes, including community, rural and Northern sites, to stabilize the core clinical trials workforce, strengthen site readiness and expand patient enrolment beyond large academic health centres. This should include dedicated funding for clinical research coordinators, research nurses, trial managers, data specialists, equipment and shared tools that allow sites to participate in trials consistently and at scale.**

Recommendation 3:

Treat health infrastructure as nation-building

Canada has always aspired to have a world-class health system, and has a skilled clinical workforce, leading research hospitals, and growing community care networks, but decades of underfunding in health infrastructure has left a growing gap that one-time federal investments cannot fill.

More than half of Canada's hospitals and health facilities were built more than five decades ago, and with capital costs accounting for just 4.5 percent of total healthcare spending, the cost of crumbling infrastructure is adding up. The federal government's \$5 billion commitment in Budget 2025 is a welcome down payment, but it must be the beginning of a sustained national approach to modernizing our healthcare infrastructure, not a one-time investment.

The economic case for action is compelling. For example, the Ottawa Hospital's new Campus is estimated to generate \$3.77 billion in economic output, boost Ottawa's GDP by \$1.92 billion, and create or sustain more than 4,000 full-time equivalent jobs during construction, while attracting new health research opportunities, supporting local tradespeople from Eastern Ontario and Western Quebec, and driving activity in surrounding communities. This is one project in one city. Scaled nationally, long-term capital investment in health infrastructure is not just health policy. It is economic policy and should be seen as an important nation-building project for government.

Investment must address the challenges that a modern healthcare system faces today and will face in the future. Physical infrastructure priorities include emergency departments, surgical suites, imaging, inpatient beds, mental health and addictions facilities,

and primary care team spaces. Digital infrastructure investment must fund the essential foundations modern care depends on, including interoperability, secure connectivity, cybersecurity, and data platforms. A dedicated rural, remote, and Northern connectivity stream is essential; one in four people in these communities face a high travel burden for healthcare access, and limited broadband connectivity continues to impede the expansion of virtual care precisely where it would deliver the greatest benefit.

Budget 2026 is an opportunity to change that. We recommend the federal government:

- **Launch a 10-year federal capital health infrastructure program with two dedicated streams, for physical and digital infrastructure, front-loaded to deploy most of the funding in the first five years to maximize impact, with predictable funding sustaining maintenance and expansion through year ten.**

Conclusion

Canada's healthcare and health innovation ecosystem is one of the country's greatest strategic assets. Our research hospitals, health authorities, health research organizations and life sciences companies generate discoveries, train talent, run trials, validate and adopt innovation, create entrepreneurs and industrial spin-offs, and deliver care. They are part of the country's innovation economy, not only its care economy. Yet without strategy, investment and infrastructure, these assets cannot reach their full potential.

The three priorities in this submission are interconnected and mutually reinforcing. A federal life sciences industrial strategy would provide the roadmap to align investment and position Canada to compete globally. A strengthened clinical trials system would convert that strategy into economic returns by bringing trials, jobs and IP to Canada. Modern health infrastructure would provide the foundation for care, research and innovation to advance together.

The cost of inaction is real. Every trial lost to a faster jurisdiction is a job not created and a return on public investment that accrues elsewhere. Every year without a life sciences strategy allows competitors to extend their lead. Every deferred infrastructure dollar compounds a debt future generation will repay in capital costs and patient outcomes.

Budget 2026 is an opportunity to change direction. These targeted, evidence-based investments will build on foundations Canada has already laid, generating returns in jobs, IP, tax revenue and research excellence while delivering a healthcare system ready for the 21st century. We urge the federal government to seize this moment, for the health of Canadians and the strength of Canada's economy.

For further information:

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