

The Ontario Innovation Agenda
Remarks Outline
Economic Club of Toronto, April 30, 2008
Theme: *Inventing Ontario's Future*

CHECK AGAINST DELIVERY

INTRODUCTION

Thank you...

Good afternoon everyone, and welcome...

Thanks so much for coming out today.

FUTURE

I'm here today to talk about Ontario's future.

The kind of future we want. The kind of future we must seize, together.

Where Ontario companies don't just survive... they thrive.

Where families don't just get by... they get ahead.

An Ontario that is not just focused on holding on to what we have...

But is always willing and able to grasp new possibilities...

Of course, this is nothing new.

Ontario is blessed with fertile land, abundant resources and happens to be located next to the largest consumer market in the world.

But, turning that opportunity into prosperity has not always been easy. Or inevitable.

Fortunately, innovation and imagination are ingrained in our culture... Along with a deep and abiding desire of generations after generations of Ontarians to leave to their children, and their grandchildren, a stronger economy and a better quality of life...

To leave our children with a better future.

So, today, I want to pose this question...

What world – what sort of future – will we leave our children?

We face this question at a time of profound global change.

CHANGE

Change is everywhere. It's fast, and it's only going to get faster.

In just the time since our government took office, the Chinese economy has grown by 50 per cent...

The TSX Composite Index has nearly doubled.

Wal-Mart has opened 2,000 more stores...

Green energy has gone mainstream. In wind power, Ontario has moved from last place to one of the leading wind power jurisdictions in Canada.

Facebook has gone from a dorm room project to a global phenomenon with over 70 million users worldwide. And YouTube was born.

Change doesn't just fascinate us. It affects us... And right now, it's challenging us.

CHALLENGES

Here in Ontario, we're being affected by high oil prices, a faltering US economy and a Canadian dollar that has risen nearly 60 per cent since its low in the beginning of 2002.

Overall, our economy remains resilient and in the past four years has produced over 400,000 net new jobs.

But challenges beyond our control are hurting our traditional manufacturing and resource sectors, and the families that rely on them for their living.

Now, more than ever, humanity faces challenges.

Climate change has raised challenging questions about the sustainability of our very way of life.

We need new, cleaner, more sustainable ways to generate energy.

An aging population is putting ever greater demands on our world-class, publicly funded healthcare system.

Today, one half of all provincial spending is devoted to healthcare.

Maintaining that quality and service presents a challenge for us all.

And, we must aim to do better than just maintaining what we have.

Take the fact that the Canadian Cancer Society estimates 73,800 people in this country will die of cancer this year. Everyone in this room knows someone whose life has been impacted by this terrible disease.

This is just one stark example of why we must aim beyond "saving health care" and instead find ways to improve it... not only by providing better care for people who are sick...

But also by turning the incurable into the curable – and even better than that, the preventable.

In the face of these and other unprecedented global challenges, buffeted by the forces of globalization... The status quo is just not good enough.

The Premier believes, as do I, that without a clear plan to seize these global opportunities... Ontario will fall behind.

CHOICE

And so we are faced with a choice.

We can continue to do what we've done in the past... and hope that we can hold on to the prosperity our parents and grandparents have built for us.

Or we can lead the way.

We can fear the global challenges before us... or we can, instead, embrace them as the next generation of opportunities.

We can fear the global change that we see... or we can be the change we want to see in the world.

Let me share with you the choice your government has made.

We have chosen that this province will continue to be home to an extraordinary standard of living and fulfil the hopes and the dreams we have for our children and grandchildren.

Our government believes that the best way to do that is not to stand in the way of global change, but to find a way to make change positive for Ontario.

Rather than simply react to change, we believe we can be a catalyst... to help drive change.

LEADERSHIP

Ontario has a distinguished history, filled with smart people with big ideas, who have changed the world.

Ontarians invented universal standard time.

We discovered insulin... and stem cells.

We created IMAX... some say we perfected ice wine and of course, we invented the Blackberry... the device that has sparked a global wireless revolution.

Ontario has a strong history of innovation... And a strong foundation upon which to build our economic future.

But today, in an age where innovation is a key ingredient for prosperity, Ontario must go far beyond simply being a place where innovation happens.

We must become a place where innovation is inevitable.

Premier McGuinty has always recognized the incredible untapped potential that lies within Ontarians.

Since the time our government first took office, he has made education... and innovation a priority.

So much so that he created the Ministry of Research and Innovation and made himself the first Minister. A Ministry to lead and focus our government's commitment to innovation as the key driver of future wealth creation.

STRATEGY

But to lead, you need a strategy...

So the Premier asked, how can we go beyond instances of innovation... and beyond government simply investing in programs for innovation... to establishing a culture of innovation?

How can we turn global challenges like climate change... the fight against diseases like cancer... into jobs, a cleaner environment and better health care for Ontario families?

To find answers, we asked smart and successful Ontarians.

We brought together 13 experts from both business and academia: the [Ontario Research and Innovation Council](#).

I want to thank the Council for their inspiring work.

As well, as his Parliamentary Assistant... the Premier had me literally hit the road, touring Ontario and talking to nearly 400 bright, accomplished innovators as part of [our public consultation](#).

We did our homework... and through our efforts, we created a strategic roadmap for my Ministry.

Then we linked that roadmap to the [Ontario budget](#) and a resulting multi-billion dollar plan that invests in Ontario's future. We call it our five-point plan.

FIVE POINT ECONOMIC PLAN

FIRST: We're cutting business taxes – the capital tax that business told us to cut first.

SECOND: We're making the largest investment, ever, in Ontario's infrastructure, some \$60 billion over 10 years.

THIRD: Rather than trying to foresee the future, we're giving Ontarians the skills they need to invent it.

Today, as a result of our investments in education – we have 10,000 more kids per year graduating from high schools, 25,000 more students per year pursuing skilled trades and 100,000 more students per year attending college or university.

Ontario can now claim the highest percentage of people with a post-secondary education in the G7.

Now that's a competitive advantage to lead with.

Through the Ministry of Research and Innovation we are also [investing \\$5 million over the next four years to help young people discover science, develop their talents and hone their imaginations](#).

FOURTH: We're partnering with businesses in key sectors in order to secure high paying jobs and ignite growth in the industries that will shape our future.

We're saying to business... We're not here to bail you out; we're here to help you build us all up.

So if you're investing to seize global market opportunities, to grow stronger, to create more jobs, to build a more competitive Ontario – we want to work with you.

AGENDA

This brings me to point number five -- the visionary part of our economic plan.

The [Ontario Innovation Agenda](#) which ties everything together.

It reflects our government's commitment to healthcare, the environment and the economy.

It reflects what innovators and business leaders across the province told us what we must do to create a culture of innovation that will permeate our province from Wawa to Windsor to Waterloo...

To build Ontario's economic future on the strengths of our creative people, our diverse culture, our highly skilled workforce, our world-class education system and our internationally recognized research community.

To create a culture of innovation.

Here's what we believe:

CATALYST

Government must act as a catalyst.

Our government understands business... We have no intentions of interfering with the market...

And we understand science... we know that basic and applied science must never be influenced by political science. We are committed to peer-reviewed research excellence.

But instead of assuming that business and research will interact on its own... we believe that government must act as a catalyst.

For example, that's why we launched the [Ontario Venture Capital Fund](#), a \$270 million partnership between business and government to jointly invest in much needed venture capital.

EXTRACTING VALUE FROM RESEARCH EXCELLENCE

Government must do a better job of extracting value from research excellence.

Ontario is home to world-class talent and research, and we intend to maintain our \$750 million dollar commitment to basic and applied research in areas where we are, or can be, the best in the world...

But now we have to go even further... we need to partner with innovative companies to make sure research excellence and great ideas are translated into thriving businesses and new jobs.

That's why we're proposing a 10 year corporate tax exemption for new Ontario corporations that commercialize — in Ontario — patented intellectual property discovered at Canadian universities, colleges, academic hospitals and research institutes. This is a North American first.

We are doing this to send a powerful signal to researchers and industry here, and around the world, that Ontario is THE place to be.

FOCUS

Government must focus on strategic investments that will build our strengths and capacity to seize global opportunities.

Instead of ad-hoc support dispersed over loosely-related initiatives... we will focus and coordinate our efforts on sectors where we have the research and business capabilities to not only compete... but to dominate world markets. To be global leaders.

Here are our priorities:

1. Conquering disease through the life sciences, biotechnology, pharmaceutical research and advances in medical devices,
2. Advancing/expanding the digital universe through new media at the cutting edge of information and communications technology,
3. Sustaining humanity through bio-based, environmental and alternative energy technologies.

FAST

Government must also move at the speed of business.

To be a good partner, government must work much faster.

Instead of operating at the leisurely pace of the old economy...

We need to operate at the speed of the new economy... at the speed of business.

That's why when we recently introduced our [\\$1.15 billion Next Generation of Jobs Fund](#), it came with a world first 45 day service guarantee.

And we're already showing that we can deliver, and get results, fast.

For example, take our first successful application to our \$1.15 billion Next Generation of Jobs Fund – [Sanofi Pasteur](#).

We received the company's application, reviewed and approved it and signed a term sheet in under 45 days. And the result:

- \$100 million expansion,
- 300 construction jobs,
- 900 existing R&D jobs, 30 new ones...
- And a commitment for over half a billion dollars in R&D investment over the next five years.

CELEBRATE

Finally, we need to work together, to do a better job of telling Ontario's innovation story...

We must all do a better job of celebrating – and communicating – Ontario's success stories to Ontarians... and to the world.

And that's exactly what we did last night at [Premier's second annual Innovation Awards Gala](#).

FORMULA

In previous centuries there was a very simple formula. If you could find a local solution to a local problem you would gain a local market, and enjoy economic success.

But in the new millennium, that formula fails to address the reality of globalization.

The McGuinty government believes that the new formula for economic success in the global economy is simply...

In the face of a global problem, if we can focus our global research excellence and attract global capital in coming up with even a slice of a global solution, Ontario will have the global market beat a path to our door.

- GLOBAL PROBLEM
- GLOBAL RESEARCH EXCELLENCE
- GLOBAL CAPITAL
- GLOBAL SOLUTION
- GLOBAL MARKET

And this formula is not theoretical. Let me share with you just one example of this powerful new formula at work in Ontario.

The world is desperately seeking a solution to the global problem of cancer. According to the World Health Organization, deaths from cancer are on the rise globally. Worldwide they estimate 9 million people per year will die in 2015, rising to 11.4 million people in 2030. The world is searching for a solution.

This province has a reputation for global research excellence in biomedical life sciences. We employ 10,000 scientists and researchers who conduct \$850 million in research annually. And Ontario is now the fourth-largest biomedical research centre in North America.

In 2005, we created the [Ontario Institute for Cancer Research](#), led by Dr. Tom Hudson, which has aligned our considerable strengths around prevention, detection, diagnosis and treatment.

And we know, if you want to be the best, we have to be prepared to make a proportionate investment. That's why Ontario is in the midst of a [five-year \\$347 million commitment to OICR](#).

It's a significant investment, but we think it's a wise one. And it's attracting global capital.

For example, the private sector is investing \$300 million to build [Phase II of MaRS](#), the home of OICR.

As a result of our investments, in the global quest against cancer, Ontario is now leading the world: as of 8 a.m. yesterday morning the world awoke to the creation of the International Cancer Genome Consortium.

The goal of this consortium is a co-ordinated global effort to unlock the genome of the 50 most common cancer tumours that plague humanity.

The project will generate 25,000 times more data than the human genome project.

And, I'm particularly proud that our Ontario Institute for Cancer Research, led by Dr. Tom Hudson, has been chosen to head the global secretariat — in short — to be the world headquarters of this global effort, one of the largest scientific projects in history.

We — Ontario — are in the forefront of discovering a global solution to cancer.

Now for the best news.

Ontario has been tasked to serve as the global data centre. In essence, we must create the largest health informatics database in history. The [Premier announced yesterday](#) that Ontario — through my Ministry of Research and Innovation — has allocated an additional \$10 million to OICR to meet this challenge.

The global market will beat a path to Ontario's door and we must be ready to commercialize this for the benefit of our province.

INNOVATION

We understand... we aren't the only ones working to drive prosperity through innovation.

Other provinces and competing jurisdictions across the planet are... right now... making similar pledges.

But, let me be frank about what sets Ontario apart...

BIG

We're big.

We're 13 million strong and the economic engine of this country.

Our economy is twice the size of the next largest provincial economy.

Over a third of all new Canadian jobs since 2003 were created in Ontario.

39 per cent of Canada's head offices are here.

Half of all new immigrants to Canada choose to live here... a wonderful diversity that gives Ontario a unique advantage with direct links to foreign markets all around the world.

59 per cent of all Canadian foreign venture capital comes here.

If the Great Lakes region was its own country, we would be the second largest economic unit on Earth... second only to the U.S. economy... and bigger than Japan, China and India.

And we have the lowest after tax research cost of any of our neighbouring jurisdictions.

BILLIONS

Our commitment to innovation is big, too – with [\\$3 billion committed over eight years](#)...

In addition to our [\\$1.15 billion Next Generation of Jobs Fund](#).

BOLD

We're bold – we are looking to invest in people and businesses that want to be the best in the world.

FOCUSED

We're focused on supporting investment, innovation and growth in sectors where Ontario is already strong, where we punch above our weight. Where we already are, or can be, a global leader.

FIRST and FAST

Ontario is leading North America with one of the first private/public market driven venture capital funds, the first billion-dollar plus fund focused on strategic opportunities driven by the commercialization of research, and the first to offer a 10 year corporate tax exemption for the commercialization of IP.

And we are the first government that we know of that has promised to make a decision within 45 days, guaranteed.

And last, but certainly not least...

OUR PEOPLE

With the most skilled and creative workforce in the G7... our plan is built around our people. By far our greatest competitive advantage.

We know that the power of innovation lies in the power of our people... to successfully turn the unimaginable into the ordinary.

Imagine what the next generation will bring. Imagine what our future can be.

It reminds me of the famous computer scientist, Alan Kay, who said, "The best way to predict the future is to invent it."

And so that brings me "back to the future"...

And the question: what sort of world, what sort of future, do we want to leave our children?

In Ontario, I can tell you we are pursuing an aggressive innovation agenda because we want to leave them a brighter future — a cleaner, greener, healthier Ontario known for seizing global opportunities.

CONCLUSION

So today, in the face of global challenges — and opportunities — I am presenting one to you, the people that make the breakthroughs and build the jobs...

We know the only way we can succeed is if innovators across Ontario and around the world join us in thinking big.

Researchers that aim to be the best in the world.

Business leaders that believe their company can grow to be top three in the world.

We're building Ontario's economic future on our research strengths and our people.

We're investing in bold, focused initiatives that extract value from our research excellence.

And we stand prepared to invest in the power of your imagination... to identify and seize global market opportunities.

Global market opportunities that will create Ontario's next generation of jobs...

That will make Ontario the best place in the world to work, to raise a family and to innovate...

Ultimately, that will create the quality of jobs... quality of life... and kind of world we want to leave our children and grandchildren.

Thank you.