

Economic Development Highlights of 2023 BC Budget

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The 2023 BC Provincial Budget released today emphasizes six themes, several of which are directly relevant to local economic development:

- Clean, sustainable development
- Skills for future jobs
- Affordable and attainable housing

Sustainable Development and Skills Training

Creating a sustainable economy in collaboration with Indigenous Peoples is highlighting, including continuing implementation of the StrongerBC Economic Plan, released last year, and CleanBC Roadmap to 2030.

The **Future Ready** plan is currently being prepared, scheduled for late 2023 release, which is targeted at skill development in high-demand occupations. Budget 2023 commits \$480 million over three years to support its initiatives. This will include short-term training grants for individuals, new small business funding to address labour market challenges, building Indigenous employment opportunities, adding thousands of training seats in priority fields, and speeding up foreign credential recognition for professionals.

A variety of new spending was announced for forestry, partly to build economic opportunities and partly to focus on old growth preservation and enhancing electrification and connectivity for remote, rural and Indigenous communities.

- \$101 million over three years in operating and capital funding for **outdoor recreational opportunities** in BC Parks and outdoor recreation sites and trails, plus \$49 million over three years to maintain and upgrade forest service roads
- There is new funding for partnering with Indigenous Nations on Forest Landscape Planning, designed to protect additional old growth while providing certainty of where sustainable harvesting can still occur, and to speed up natural resource permitting and modernize the permitting service delivery model
- No additional funding was added to the recent announcements of the \$180 million BC Manufacturing Jobs Fund, which is designed to help mills transition from old growth logs to higher-value products

Continuing to assess BC's critical minerals potential will be done with \$6 million over three years for a new **critical minerals strategy**.

A variety of **Climate Plan** elements were announced, including \$40 million for a CleanBC Go Electric Commercial Vehicle Pilot Program to help with the transition to zero-emission vehicles, including trucks. A new carbon pricing framework for industry is under development and is expected to start April 1, 2024. The next year is a transition period that includes the planned \$15 per tonne tax increase, but no structural changes to the current regime. On a related note more than \$1.1 billion over three years will help communities increase their climate resilience, including those affected by extreme events like wildfires and floods. There will be a new Ministry of Emergency Management and Climate Readiness to increase preparedness capacity and to partner with local communities.

Housing

An updated Provincial housing plan will be released this spring.

- Implementation will be supported for \$4.2 billion over three years to build thousands of new homes, focusing on renters, middle-income, Indigenous and student residents.
- Also included will be support for transit-oriented development, including through land purchases near future transit nodes, and more complex care and supportive housing.
- A new income-tested renter's tax credit will help an estimated 80% of all renter households.
- Additional investment will support reducing rezoning restrictions and enabling more multi-unit homes.
- Financial incentives will be evaluated to encourage homeowners to build secondary suites, and through a new property transfer tax incentive, to construct purpose-built rentals.

Significant funding, totaling more than \$1 billion over three years, will target homelessness, improving complex care support for addictions and mental health, creating temporary modular housing to help reduce encampments, and increasing funding for various housing financial support programs.

Other Themes

Other highlight themes from the budget cover health, public safety, and mitigating high costs of living.

A variety of new **health spending initiatives** will expand cancer care, increase recruitment and retention of staff, expanding training seats for health professionals, create a new payment model for family physicians, and continue with COVID-19 response. More than \$1 billion in new funding over three years is dedicated to mental health, addiction and substance use issues, including additional treatment and recovery beds, expanding the Red Fish Healing Centre model to other regions, and expanding mobile response teams.

The largest ever **capital investment in health-care infrastructure**, totaling \$11.2 billion over three years, will cover some previously announced and future major projects, including St. Paul's Hospital, Surrey Hospital, new Cowichan, Terrace and Dawson Creek Hospitals, and expansion or redevelopment at Royal Columbian and Richmond Hospitals.

Public safety initiatives are supported by \$462 million in new funding. Many of the specific programs were part of the November 2022 Safer Communities Action Plan, but include more RCMP officers, particularly in rural, remote and Indigenous communities, new programs to target repeat violent offenders, additional spending for cannabis licensing, and new funds to reduce stigma and evaluate the impact of the decriminalization of small amounts of illicit drugs. Other funding is

dedicated to improving access to justice, such as ten new Indigenous Justice Centres and expanded funding for the BC Human Rights Tribunal.

A total of \$4.5 billion over three years will counter **rising costs**, including school food programs, free prescription contraceptives, an increase to the BC Family Benefit starting in July, increases to the Climate Action Tax Credit that rises with the increased carbon tax, increased student loan amounts and easier repayment terms, increased income and disability support payments, and the increased rental supports mentioned earlier.

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