

**BUDGET
2023**

StrongerBC
for everyone

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- Good morning.
- Thank you for joining us at the annual budget lockup.
- I'm pleased to be presenting our three-year plan in person today on the land of the the Lekwungen peoples, the Songhees and Esquimalt First Nations.
- I am honoured to be on their territory – and I am honoured to present you with the details of *B.C. Budget 2023*.
- We know that British Columbia is a great place to live – this is a beautiful, diverse province with strong, caring communities.
- But people are facing real challenges.

- As you know, we are not alone.
- Global inflation is squeezing household budgets everywhere.
- It's harder to afford groceries or find essential medication for your kids.
- Then there's the added pressure of economists predicting a global slow down.
- The Province can't control global forces.
- But we can make choices that help protect British Columbians and build the stronger, more secure future we all want.
- When times are tough, you need government in your corner.
- *Budget 2023* reflects the improvements we need to see today, and the promising future we need to see on the horizon...
- For ourselves and for our families.
- This year's budget improves health care, builds more homes, helps people with increased costs and ensures our communities are safe and healthy.
- Because we are strongest when everyone – rural and urban – shares in the benefits of a strong economy.

2022/23 Updated Q3 Forecast

- The updated 2022/23 forecast projects a Q3 surplus of \$3.6 billion, which is \$2.1 billion lower than the *Second Quarterly Report*
- Key changes since Q2 include:
 - Higher revenues, primarily from income and sales taxes
 - Increased spending, including:
 - \$2.7 billion for supplementary estimates
 - \$500 million for the Rental Protection Fund
 - \$500 million for an additional BC Affordability Credit payment in April

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- Before we get into the fiscal plan, let's look at the updated forecast for the current fiscal year.
- As we told you in the fall, we projected a \$5.7-billion surplus at the end of the second quarter.
- Today, we are projecting a \$3.6-billion surplus.
- The difference is because we are putting the surplus to work for people now.
- We're immediately investing in helping people with cost-of-living challenges.
- This new spending includes another round of the BC Affordability Credit in April – and it helps more people make ends meet.
- Once again, approximately 85% of people in B.C. will receive the credit, and about half of those will get the full amount.
- And it's income-tested, which means the lower your income, the higher your payment.

- The new spending also includes the Rental Protection Fund announced in January.
- The fund protects people from evictions and rent hikes, while preserving rental buildings.
- And there is \$2.7 billion in more spending to support British Columbians through Supplementary Estimates.
- The projected surplus will continue to change as final revenues and expenses are determined and as we continue putting resources to work for people.
- As always, we'll provide a full report of the Province's financials for 2022-23 this summer, as part of Public Accounts.

2022/23 Supplementary Estimates

Description	Amount (\$ millions)
Growing Communities Fund	1,000
BC Ferries Fare Affordability	500
Critical Community Infrastructure	450
Food Security Initiatives	160
BC Cancer Foundation	150
Local Government Next Gen 911 Readiness Fund	150
Watershed Security Fund	100
Highway and Community Cellular Connectivity	85
Accelerating Funding for First Nations Agreements	75
Public Libraries	45
Total	2,715

- Leveraging the one-time revenue improvements to advance key government priorities
- Initiatives support health, affordability, reconciliation, climate and emergency preparedness, and provide infrastructure supports for all communities across B.C.

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- We know this year's surplus is unlikely to happen again, which is why we are tabling supplementary estimates alongside the budget.
- This is an important step to secure more spending authority and get this surplus money to work for people now.
- Because we know that supporting British Columbians will build a stronger province for all of us.
- Support like the \$1-billion Growing Communities Fund, which will go directly to growing communities right across the province.
- It will support the improvement of local roads and water facilities, and build more community centres, pools, trails and arenas.
- From infrastructure to connectivity to emergency preparedness – these investments will make a positive difference for people, businesses and communities.

Summary of Current Economic Situation

Indicator	Performance
Labour Market	The unemployment rate is near historic lows (4.4% in January) but is leading to high job vacancies in some sectors.
Consumer Spending	Consumer spending on services continues to recover while spending on goods has softened.
Housing Market	Housing construction is strong (46,721 units in 2022) while sales activity has declined to low levels (-35.2% in 2022).
Inflation & Interest Rates	Inflation has started to ease (6.2% in January) but affordability challenges remain, while interest rates are high.
Exports	The value of goods exports is weakening (-25.2% since May) while service exports continue to recover.
Global Growth, Geopolitical Events & Pandemic	The economic outlook for most of B.C.'s major trading partners (e.g., rest of Canada, U.S., China, and Japan) has weakened.

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- It's been a difficult few years, but B.C.'s economy has been resilient in the face of pandemic, geopolitical and climate-related challenges.
- Despite it all, we have seen strong economic performance in areas, such as our labour market and home building.
- But there are also areas where activity is slowing.

Labour Market

- B.C.'s labour market is strong, with the unemployment rate near historic lows at 4.4% in January 2023.
- But there are high job vacancies in some sectors like construction, accommodation and food services.
- The increase in workers has not kept pace with demand in these areas – and we've heard it first-hand from businesses.

Consumer Spending

- We're seeing people spend more on services like tourism and hospitality.
- Meanwhile, increased interest rates and prices are affecting consumer spending on goods, particularly big-ticket items like vehicles.
- Nominal retail sales growth in B.C. has softened, rising by just 2.7% in 2022.

Housing Market

- On housing, construction activity continues to be strong with the second-highest number of housing starts on record last year at around 46,700 units.
- That's well above the 10-year historical average.
- At the same time, we've seen home sales fall significantly in response to increased interest rates.
- In 2022, MLS home sales decreased 35%, and activity was well below average in the second half of the year.
- The MLS average home sale price has also softened, falling almost 18% from February 2022 to January 2023.
- As always, housing remains a priority for this government.
- And we continue to monitor these trends closely.

Inflation and Interest Rates

- High prices are affecting the cost of living for households.
- Inflation in B.C. reached a 40-year high last May and declined to 6.2% in January.
- We are seeing the worst effects in how much we are paying for food, shelter and transportation.
- In response to rising inflation, central banks have raised interest rates faster than expected, affecting the cost of borrowing for people as well as the Province.
- The latest update is that the Bank of Canada signalled its intent to hold rates steady for now.

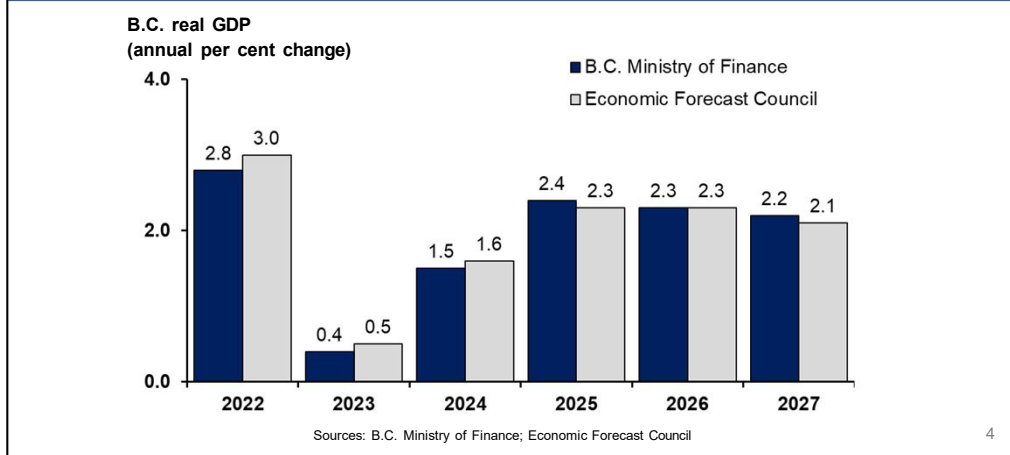
Trade

- Regarding trade, the value of goods exports was strong on an annual basis, with growth of almost 20% in 2022.
- However, the value of goods exports started to decline in the latter half of the year in response to lower commodity prices.
- Exports are down 25% since May.
- Meanwhile, service exports continue to recover as tourism picks up as people continue to resume travel.

Global Growth, Geopolitical Events and Pandemic

- The economic outlook for most of B.C.'s major trading partners (for example, the rest of Canada, U.S., China and Japan) has weakened.
- That's due to a number of factors, including higher interest rates and uncertainty associated with the war in Ukraine.
- And while it may feel like the pandemic is over in some regions, it still remains a risk globally that could affect labour, trade and supply chains.

Budget 2023 Economic Outlook



- Let's turn to the outlook for B.C.'s economy.
- In *Budget 2023*, we are forecasting that B.C.'s economic growth will slow to 0.4% in 2023.
- The slower near-term growth projection largely reflects the combined effects of elevated price pressures and tighter monetary policy working their way through the economy.
- This is not unique to B.C.
- We're expecting a similar slowing throughout Canada and the world.
- Looking beyond 2023, economic activity in B.C. is expected to gradually recover.
- As you can see, real GDP growth is forecast to rise in 2024.
- And then range between 2.2% and 2.4% annually over the medium-term.
- The ministry's forecast for B.C. is similar to the average outlook provided by the Economic Forecast Council, with prudence in the near-term.

Budget 2023 Highlights

- *Budget 2023* builds today for a stronger tomorrow.
- These uncertain times require careful, thoughtful action.
- And the choices this budget makes address not only the uncertainty ahead of us, but also moves on long-standing priorities.
- *Budget 2023* reflects the priorities we've heard from British Columbians.
- And, in the face of the challenges of global inflation, *Budget 2023* continues to help people here at home with costs.

Budget 2023: A Stronger BC for Everyone

- Focused on making smart investments to tackle today's biggest challenges
- Prioritizes significant new investments in:
 - Health and mental health care
 - Affordable and attainable housing
 - Reducing costs for people
 - Safe and healthy communities
 - A sustainable and clean economy
- Helps individuals, families, businesses and communities today to build a stronger, more secure future for everyone

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- Through the key investments I'm about to highlight, I'll show how *Budget 2023* will:
 - Strengthen health and mental-health care so people can find and stay connected to the care they need.
 - Take bold action to make homes more affordable and attainable for people in B.C.
 - Ease the stress on household budgets and put money back in people's pockets to help with everyday costs.
 - Increase services and supports that foster safe and healthy communities.
 - And set the groundwork for a strong, sustainable economy through B.C.'s greatest resource – people.
 - We are all better off when a good life is in reach for everyone who calls B.C. home.
 - And, by helping people, families, businesses and communities today, *Budget 2023* builds a stronger, more secure future for everyone.

Budget 2023 Fiscal Plan

(\$ millions)	Updated Forecast 2022/23	Budget Estimate 2023/24	Plan 2024/25	Plan 2025/26
Revenue	82,700	77,690	79,724	82,223
Expense	(74,303)	(80,206)	(82,978)	(84,766)
Pandemic Recovery Contingencies	(2,000)	(1,000)	-	-
Supplementary Estimates	(2,715)	-	-	-
Forecast allowance	-	(700)	(500)	(500)
Deficit	3,682	(4,216)	(3,754)	(3,043)
Capital spending:				
Taxpayer-supported capital spending	8,117	11,812	12,634	13,148
Self-supported capital spending	4,055	4,028	4,116	2,853
Total capital spending	12,172	15,840	16,750	16,001
Provincial Debt:				
Taxpayer-supported debt	63,701	75,617	88,437	99,395
Self-supported debt	29,788	31,607	33,670	34,405
Total debt (including forecast allowance)	93,489	107,224	122,607	134,300
Taxpayer-supported debt to GDP ratio	16.4%	18.9%	21.3%	23.0%
Taxpayer-supported debt to revenue ratio	78.7%	100.1%	114.8%	124.9%

- Declining deficits of \$4.2 billion in 2023/24 to \$3.0 billion in 2025/26
- Record \$37.5 billion in taxpayer-supported capital spending over the plan, a \$10.1 billion increase from *Budget 2022*
- Debt metrics are lower than in *Budget 2022*

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- Before I begin with our investments, I'd like to speak to our long-term fiscal sustainability as a Province.
- This sustainability is essential.
- We're focused on finding a way back to balance, but not at the expense of British Columbians and the services we all rely on.
- This is why, once again, we present a plan with declining deficits – starting at \$4.2 billion next year and declining to \$3 billion by 2025-26.
- We have focused on people since day one.
- And *Budget 2023* expands on historic investments made since 2017 to help build a stronger, more secure B.C. for everyone
- This includes more than \$16 billion in new ministry operating funding and \$10 billion more in capital spending.
- At the same time, we remain prudent with significant contingencies allocated to specific areas to prepare for any unknown costs.
- This includes \$7.5 billion for the Shared Recovery Mandate, \$1 billion for ongoing pandemic response and recovery measures, and \$750 million over the next two years to support recovery from climate emergencies, like the November 2021 flooding.

- Our overall debt for 2022-23 is lower than what was projected this time last year because of our surplus.
- It's important to note that our debt is expected to increase, and that will finance the operating and capital investments we need now.
- Knowing that, our debt burden remains manageable.
- Other key metrics: the taxpayer debt-to-GDP ratio is expected to remain below 25% across the fiscal plan – lower than many other provinces.
- And taxpayer-supported debt at the end of the three-year fiscal plan is forecast to be \$99 billion.

Strengthening Health & Mental Health Care

- \$2.6 billion for health services, including \$270 million more for cancer care
- \$1 billion to support the new health workforce strategy
- \$1.1 billion for the refreshed primary care strategy that focuses on attracting and retaining family practitioners, including a new compensation model
- \$867 million for mental health and addictions services across the continuum of care including prevention, harm reduction, safe supply, treatment and recovery
- \$875 million in 2023/24 for ongoing COVID-19 health response measures

Figures represent three-year fiscal plan costs unless specified otherwise

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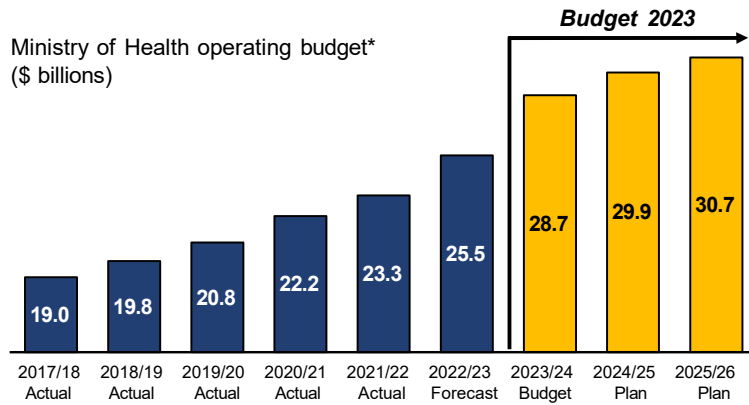
- People want to know that strong health care will be there, when they need it.
- At the same time, coming out of the pandemic, health-care workers have never been under greater stress.
- These challenges are not unique to B.C. – which is why provinces have been working with Ottawa to help us deliver better care.
- But we're not waiting.
- We need care we can count on now.
- *Budget 2023* takes the next steps to strengthen B.C.'s health-care system with \$6.4 billion in new investments over the fiscal plan.
- This funding is dedicated to support the growing demand for health services as our population increases and ages.
- This includes an initial investment in the cancer plan Minister Dix recently announced, with more investments to come in future years as the plan rolls out.

- Our health-care system is only as strong as the people who keep it running.
- This is why *Budget 2023* delivers a new deal for family doctors and supports B.C.'s health-care workforce.
- It will help us recruit, train and retain more family doctors, nurses and other allied health professionals
- Mental health is health – and we're making the largest investment in mental-health and addictions services in B.C. history.
- *Budget 2023* invests \$867 million over three years.
- Combined with our capital investments, that brings new mental-health spending to more than \$1 billion.
- Our focus will be on expanding supports across the spectrum of care for people struggling with addiction.
- We'll do this by expanding the number of treatment and recovery beds.
- By creating new recovery communities to support those who have gone through treatment.
- And by delivering more Indigenous treatment centres and wraparound services for youth.
- This will all feed into our work to develop and implement a new model of seamless care.
- One that supports people through their entire recovery journey – from detox to treatment to aftercare.
- This includes new investments for the Road to Recovery initiative in partnership with Providence Health and Vancouver Coastal Health.

- Same goes for the Red Fish Healing Centre in Coquitlam, a first-of-its-kind in North America.
- At the centre, complex mental illness and addictions are treated simultaneously.
- With this year's budget, we will be expanding the Red Fish model of care, so more people have access to these services closer to home.
- And we're continuing to put funding aside to support our continued health response to COVID-19.

Record Investments in Health & Mental Health Care

\$10 billion more per year for health and mental health care operating funding since 2017



*Does not include other one-time funding (e.g. Pandemic Contingencies or Supplementary Estimates)

- More supports for cancer care and family doctors
- Creating over 1,700 new health-care positions
- Nearly 3,000 new post-secondary health training seats
- Over 190 new treatment beds and expansion of other recovery supports

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- With new *Budget 2023* investments, health and mental health annual funding has increased by nearly \$10 billion since 2017.
- Total investments will grow to more than \$30 billion a year by 2025-26 and will support improved health-care services for British Columbians.
- It's about taking action now to deliver better care for more people.

Tackling the Housing Crisis

- \$1.7 billion in new operating and capital funding to build more homes, including \$394 million for transit-oriented development
- \$575 million in capital funding to enable post-secondary institutions to deliver thousands more student housing spaces in high demand areas across B.C.
- \$380 million in operating funding to unlock more homes and provide supports for people
- Over \$1.5 billion in operating and capital funding to help reduce homelessness including more funding for modular homes, complex care and encampment response measures

Figures represent three-year fiscal plan costs

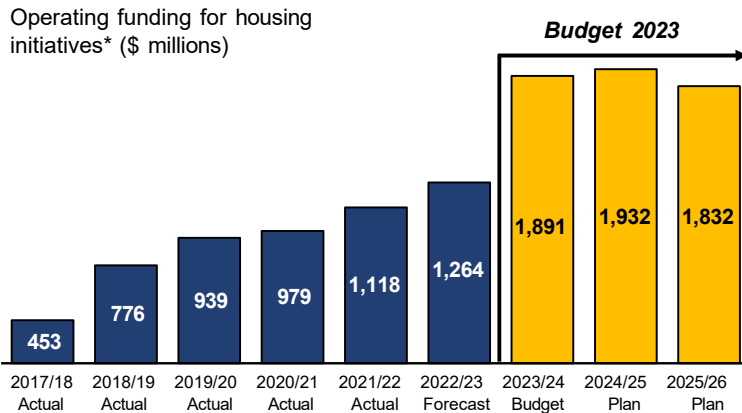
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- We know that housing is top of mind for people throughout the province.
- An affordable, accessible home is part of what it means to build a good life in B.C.
- For too long, the housing market worked well for investors, speculators and banks. Not for everyday people.
- After five and a half years of work, we're starting to see results.
- 40,000 homes are built or underway.
- And we're seeing record construction of new rental housing.
- *Budget 2023* includes a bold housing action plan with more than \$4 billion in new operating and capital investments to build on the work done so far.
- Work like lifting strata restrictions, setting new housing targets for communities that need it, and creating a Rental Protection Fund to preserve older rental units.

- The details of the plan will be released this spring
- And will take new steps to build and unlock more homes for middle-class families, for Indigenous people, and for renters and those with the greatest needs.
- We're also creating more student housing spaces throughout B.C. to help ease pressure on local markets and build on the thousands of student beds already open or underway.
- We're also increasing housing and services near public transit hubs around the province.
- This year's budget will fund more supportive housing and strengthen existing programs that help vulnerable people keep their homes.
- And we're adding hundreds more units of complex-care housing.
- We've done a lot of work already and there is still a lot of work to do.

Record Investments in Housing

Over 4 times more operating funding per year for housing initiatives since 2017



*Does not include one-time funding (e.g. Pandemic Contingencies).

- Doubling the number of units created through the Indigenous Housing Fund
- Improving and preserving existing rental housing for families with lower-income
- Providing supports and financial incentives to help unlock thousands more homes

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- *Budget 2023* is investing in the delivery of homes for all kinds of British Columbians.
- Because too many people are struggling to find a decent home, even if they earn a good income.
- Not only are we investing in new housing, we're clearing the way for more housing with zoning changes and a faster permitting process.
- Since 2017, we have invested over four times the amount of annual operating spending on housing initiatives.
- And in *Budget 2023*, we have \$1.9 billion budgeted for next year alone.
- On top of this, there is \$800 million in capital spending planned for housing for next fiscal year.

Sustainable and Clean Economy

- \$480 million to support the Future Ready Plan to help train and attract talent in B.C.
- \$567 million in operating and capital funding for a cleaner economy and climate resiliency, including CleanBC enhancements, active transportation infrastructure, new wildfire equipment, and more emergency management capacity
- \$21 million to support eight more Forest Landscape Planning tables in partnership with First Nations to improve sustainable forestry and protections for old growth forests
- \$77 million to help speed up natural resource permitting processes and begin work to modernize the permitting service delivery model

Figures represent three-year fiscal plan costs

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- Our economy is attracting talent from around the world, and we're looking ahead to another year of strong population growth.
- With a predicted one million job openings in the next decade, this is great news.
- The best bet we can make for our future is on the people of B.C. – and that's what we're doing.
- *Budget 2023* invests \$480 million in our Future Ready plan to grow the most inclusive and talent-driven workforce in Canada.
- The details of the plan are coming this spring.
- And it will take action to close the immediate and long-term skills and labour-supply gaps.
- The plan helps to ensure that people do not face barriers in building the skills they need to succeed – today and in the years to come.
- We've heard from businesses across sectors that their biggest challenge right now is finding skilled workers.
- And our plan will help employers access the talent they need – including funding to assist small and medium-sized businesses.
- And help them find and implement technology and practical solutions to current labour market challenges and prepare for a changing global economy

- *Budget 2023* also supports a clean economy and climate resiliency.
- When we think about tomorrow's economy, sustainability and innovation are top of mind.
- We are guided by our CleanBC Roadmap to 2030 - a continent-leading plan to reduce emissions while creating family-supporting jobs and strong communities.
- *Budget 2023* builds on our CleanBC commitments with new, targeted investments in active transportation networks across the province.
- We're also investing in more emergency-management capacity for communities to better respond to fire, flood or heat emergencies.
- And we are providing more resources to speed up and modernize the permitting process to unlock more economic potential throughout the province.
- We know B.C. is a wealth of economic opportunity when done sustainably and responsibly.
- And it's where we see the results of a new approach to reconciliation with Indigenous Peoples.
- The future lies in a rights-based partnership approach to decisions respecting land, water and resource stewardship – and that's our focus.
- That is why our next budget invests \$21 million to advance our work on old growth and forest stewardship with Indigenous communities who play a critical role in these temporary deferrals.

Carbon Pricing Strategy

- B.C.'s Carbon Tax will increase annually by \$15 per tonne until rates are equal to \$170 in 2030.
 - The Climate Action Tax Credit will be enhanced each year to ensure that by 2030, 80 per cent of households will receive a full or partial credit
 - A significant majority of British Columbians are projected to receive more through the enhanced credit than they pay in increased carbon tax costs by 2030
- Beginning April 1, 2024, large emitters will transition to a new made-in-B.C. output-based pricing system
- Existing tax and other supports to protect competitiveness and reduce emissions will be continued

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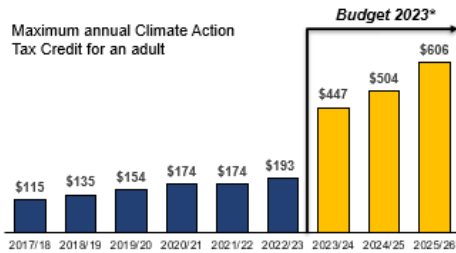
- B.C.'s climate action plan is a key part of Canada's plan – which, in turn, is a part of a global solution to reduce emissions.
- Carbon pricing is an important part of our CleanBC Roadmap.
- *Budget 2023* outlines the path ahead through a made-in-B.C. carbon-output pricing system for industry.
- And, in line with the federal government's requirement, a carbon tax that increases by \$15 dollars per tonne each year...
- Until the prices reach \$170 per tonne in 2030.
- But ordinary British Columbians already struggling with costs can't bear this cost burden alone.
- Which is why, as the price on pollution rises, so will the Climate Action Tax Credit.

- *Budget 2023* will deliver more money to more households through an enhanced Climate Action Tax Credit.
- Where a family of four would have received a total of \$500 last year, that same family will receive almost \$900 starting in July.
- A significant majority of people are projected to receive more through the credit than they pay in increased carbon tax costs by 2030.

Helping People With Costs

Over \$3 billion across the fiscal plan in new tax measures to support families and individuals with low to moderate incomes

Maximum annual Climate Action Tax Credit for an adult



*The planned increases are based on current estimated carbon tax revenues

- Permanent increases to the Climate Action Tax Credit, including more than doubling the maximum credit for an adult
- A new income-tested Renter's Tax Credit providing up to \$400 annually
- Enhancements to the BC Family Benefit, including both increases to the base amount and up to \$500 supplement for single parent families

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- I know some people are feeling particularly vulnerable right now...
- Vulnerable about making sure they can pay the rent or the mortgage, about going to the grocery store, about day-to-day expenses that have gone up with inflation.
- Premier David Eby directed all of us in cabinet to have these people and pressures front and centre in our minds as we worked together across government to build *Budget 2023*.
- *Budget 2023* provides new, targeted supports for people hardest hit by increased costs.
- As mentioned, the Climate Action Tax Credit is being increased and is one of the ways we're helping people with the costs of daily life.
- In addition, we're also increasing the income ceiling, so that more households can get the support they need.
- Our goal is to have 80% of B.C. households receiving some portion of the tax credit by 2030.
- And starting next year, the renters in B.C. will be able to claim the new Renter's Tax Credit.
- This income-tested Renter's Tax Credit will give low- and moderate-income renters back as much as \$400 per year.

- We know that one-third of all British Columbians rent their homes.
- And we expect it will benefit more than 80% of renter households.
- We are also permanently increasing the BC Family Benefit.
- Starting in July, families with children will see an additional 10% on their monthly BC Family Benefit.
- Single parents will be able to count on that 10% boost AND as much as \$500 to top up their annual benefit amount.
- Across 18 years, this increase alone could provide a two-parent family with two children with an extra \$4,500.
- For a single parent with one child, this increase will provide almost \$12,000.
- Parents will have more support and flexibility to buy food or clothing, pay the bills, or even enroll your kids in extracurriculars.
- Altogether, these three actions will give more than \$3 billion in support targeted for people with low- and moderate- incomes.

Helping People With Costs

- \$214 million to expand existing K-12 school food programs
- \$119 million for free prescription contraception starting April 1, 2023
- \$151 million to increase student financial aid allowances and other supports
- \$558 million to increase financial supports for income and disability assistance clients, including raising the shelter rates by \$125 per month
- \$264 million to increase financial supports for foster families and other caregivers

Figures represent three-year fiscal plan costs

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- Addressing cost of living doesn't just mean giving money back to people.
- It also means removing barriers and providing better access to the resources people need.
- When it comes to essentials, having full control over your reproductive rights is at the top of the list.
- Prescription contraception is necessary health care, not a luxury. It's a vital resource for equity and equality.
- And I am happy to announce that as of April 1st, British Columbia will become the first jurisdiction in Canada to fully cover prescription contraception.
- We know costs vary – but it really adds up.
- For someone who pays \$25 a month, that's \$300 in savings every year and can be as much as \$10,000 in savings over their lifetime.
- To address other cost of living pressures, we are expanding existing school food programs for kids throughout B.C.
- And we can make sure that no child has to learn on an empty stomach.

- We are also helping students access post-secondary education by doubling student loan maximums.
- This will increase from \$110 to a total of \$220 per week for individuals and from \$140 to \$280 per week for students with dependents.
- This is the first increase to student financial aid allowances since 2006.
- To help British Columbians relying on income and disability assistance to make ends meet, we are providing more support.
- For the first time since 2007, we are increasing the shelter rate for people who receive income and disability assistance, along with increases to emergency supplements and earnings exemptions.
- And, for too long, the essential work of foster families and other caregivers has not received enough respect or compensation.
- Foster families will see their rates increase by 47%.
- This will help foster parents cover the rising cost of essentials, like food, gas and clothing.

Safe and Healthy Communities

- \$317 million for policing and enforcement programs such as the repeat offending program and the new Special Investigations and Targeted Enforcement program
- \$80 million to improve access to justice including ten more Indigenous Justice Centres and more resources for the BC Human Rights Tribunal, Independent Investigations Office and virtual and after-hours bail
- \$65 million for other public safety initiatives including modernizing the *Police Act*, cannabis licensing and the decriminalization program

Figures represent three-year fiscal plan costs

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- People need to feel safe in their home and their community.
- *Budget 2023* backs our Safer Communities Action Plan with a commitment of \$462 million.
- In the fall, we announced more support for policing, including specialized rural police and enforcement programs as part of this plan.
- These new response teams will monitor and address repeat violent offenders and help keep them off the streets.
- And this new funding in *Budget 2023* will help improve access to justice by continuing to update the Police Act and adding more resources to the BC Human Rights Tribunal.
- As well, we are working to break the cycle of reoffending.
- It begins with addressing the poverty, trauma and health issues that brought the person to the justice system in the first place.
- That's why we're making significant new investments across the spectrum of care.
- People in crisis will be met early on by health-care workers and people who understand what they're going through.

- And it will free up officers to focus on stopping crimes.
- *Budget 2023* also includes 10 more Indigenous Justice Centres in partnership with the BC First Nations Justice Council – bringing the total network to 15.
- These centres provide culturally safe and welcoming places that provide legal help, early resolution programs and support services for healing and wellness.
- Addressing the overrepresentation of Indigenous people in the justice system is a top priority – both for our government and for the BC First Nations Justice Council.

2022 Shared Recovery Mandate

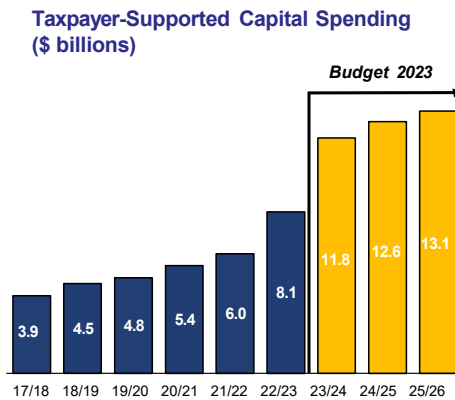
- Provides wage increases and inflation protection for B.C. public sector workers to help improve essential services – like health care and education – that people depend on
- Estimated to cost \$10.8 billion over the three-year mandate term (2022/23 to 2024/25) with ongoing annual costs of \$5.4 billion
- *Budget 2023* provides \$7.6 billion over three years in ministry base budget funding for signed agreements as of December 31, 2022; and \$7.5 billion is set aside in contingencies for pending agreements and potential cost-of-living adjustments

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- *Budget 2023* also provides significant new funding to support agreements under the *2022 Shared Recovery Mandate*.
- This historic investment provides fair and reasonable wage increases, including significant inflation protection to B.C. public-sector workers.
- This will help to support and retain the people we depend on – including those in health care and education – to improve the essential services that British Columbians rely on.
- Overall, the fiscal plan includes \$15.1 billion for the estimated costs of the mandate.

Building the Infrastructure That People Rely On

- Historic \$37.5 billion for taxpayer-supported capital over the three-year plan to deliver the infrastructure people rely on
- \$10.1 billion (37%) increase from *Budget 2022* taxpayer-supported capital plan.
- Government is implementing the ESG Framework for Capital to achieve child-care, workforce, CleanBC, and mass timber objectives.



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- Capital spending over the three year plan is increasing to \$37.5 billion in *Budget 2023*.
- We're delivering the schools, hospitals, housing, transit, highways, and other infrastructure people rely on.
- With the largest infrastructure investment in B.C.'s history, this is the place to be for good, family-supporting work.
- These investments strengthen the economy, directly and indirectly creating approximately 125,000 jobs over three years.
- And *Budget 2023* looks at all capital investments through an Environmental, Social and Governance lens. This means:
 - being a leader on innovative mass timber construction;
 - creating more child care spaces;
 - incorporating energy-efficient and low-carbon design;
 - creating a safer and more resilient network of infrastructure; and
 - creating more apprenticeship and training opportunities in local communities, particularly for traditionally underrepresented people who want to build a career in the trades.

Fiscal Sustainability

- Government continues to take a responsible and thoughtful approach to budgeting by focusing on long-term fiscal sustainability, while continuing to invest in near-term needs and priorities
- *Budget 2023* demonstrates government's ongoing commitment to fiscal sustainability by adhering to the fiscal guardrails that have guided the budget process since *Budget 2021*

Fiscal Guardrails

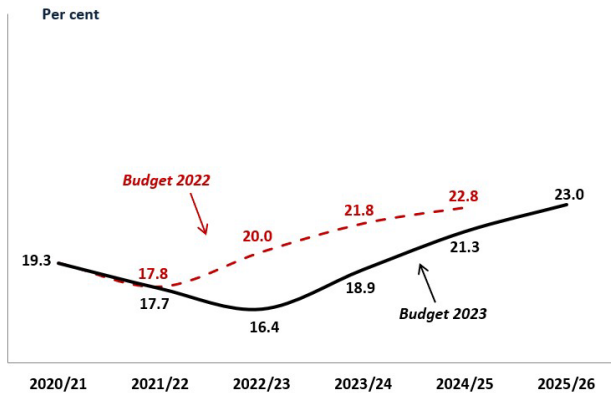
- Year-over-year declining deficits
- Targeted spending criteria
- Levels of prudence
- Pandemic Recovery Contingencies
- Debt metrics and debt affordability
- Transparent and timely reporting

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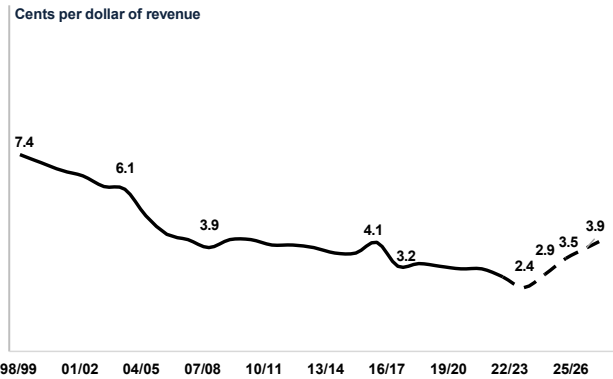
- Government continues to balance the near-term priorities with longer-term fiscal sustainability.
- While there are risks of a global economic slow down, we remain committed and on track with the fiscal guardrails that have helped to guide budget decision making since *Budget 2021*.
- This includes declining deficits, higher levels of prudence, and ensuring funding is targeted toward the most urgent of issues, while keeping an eye on our debt and debt affordability.
- We have seen how this approach has worked to build a strong economic recovery in B.C.
- And we will continue to support the Province in tackling today's biggest challenges, while balancing responsible financial management.

Sustainable Debt Levels

Taxpayer-Supported Debt-to-GDP



Interest Bite for Taxpayer-Supported Debt



- As mentioned earlier, provincial debt is expected to increase to support the operating and capital needs of the province.
- Our taxpayer-supported debt-to-GDP ratio, which is measured as a percentage of our GDP, remains relatively low.
- And we expect it to grow to 23% by 2025-26, which is lower than many other provinces.
- In the second chart, the cost of servicing our debt remains very low.
- Only 2.4 cents per dollar of provincial revenue is going toward interest payments in 2022-23.

Budget 2023 Summary

- Focused on smart investments to tackle today's biggest challenges
- Significant new funding for health and mental health, housing, reducing costs, safe communities and a sustainable and clean economy
- Record new investments to support hospitals, schools, housing and transit systems that people rely on
- Working together to create a more sustainable and secure future for all British Columbians

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- If there is anything that we have learned over the past few years, it's that going it alone doesn't work.
- We can only succeed if everyone is on the journey with us.
- We really are all in this together.
- This budget is our map, our compass, to guide us forward as one.
- And it makes the smart, strategic investments to help B.C. through the challenges of today.
- *Budget 2023* puts more money in people's pockets.
- And it addresses the barriers that continue to cause pressure in people's lives.
- *Budget 2023* improves health and mental-health services. And it supports safe and healthy communities.
- *Budget 2023* sets the stage to help us improve the housing market and build a stronger, cleaner economy for the future.
- From new supports for families to help them get through the day-to-day...
- To building new homes, hospitals and schools for our communities...

- To taking key actions to revitalize and refresh our health-care system...
- And investing in skills and education to help fill the new jobs of tomorrow...
- *Budget 2023* pays attention to today's very real challenges, while planning for an even stronger future for our province.
- Thank you for your participation today.

**BUDGET
2023**

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