

## **Highlights of the 2022 BC Provincial Budget**

The 2022 budget estimates 2021-22 fiscal year deficit to be (\$483M) compared to a forecasted (\$9.7B). The most significant changes are related to the improved performance of ICBC and higher than expected property transfer taxes from home sales. For the next 3 years the province continues to project the following deficits:

- 2022/23 \$5.5B deficit (including \$4.8B in contingencies)
- 2023/24 \$4.2B deficit (including \$4.4B in contingencies)
- 2024/25 \$3.2B deficit (including \$4.0B in contingencies)

Forecasted debt at the end of this 3 year budget is \$90.87B (nearly double pre-pandemic levels). 2022/23 GDP forecast to grow at 4.0% with a provincial Unemployment rate of 5.4%.

## **Provincial Budget Highlights Impacting CRD & Member Municipalities**

### **1. COVID Response & Recovery**

- \$3.2B in additional funding over 3 years to improve health-care services
  - adding 15 new urgent and primary care centres and working in partnership with the First Nations Health Authority to create centres throughout the province. **[CRHD, FNR, municipalities/EAs]**
  - \$303M in new funding over 3 years to reduce wait lists for surgeries and diagnostic imaging. **[CRHD, municipalities]**
  - \$148M over 3 years to reduce emergency call wait and response times. **[PPS, emergency response, municipalities]**
- \$875M additional funding in year 1 of the plan for pandemic recovery;
  - Ongoing COVID-19 and influenza vaccination programs **[CRHD, municipalities]**
  - PPE for health-care workers, mental health supports for Indigenous and non-Indigenous communities, continued funding for the B.C. Centre for Disease Control **[CRHD, FNR, municipalities/EAs]**
- \$25M incremental funding to support the tourism sector's continuing recovery. Additional funding is also being provided to support non-profit organizations in the recovery of the arts, culture and music sectors through the Arts Impacts and Amplify BC programs. **[Arts & Culture, Economic Development-Tourism, municipalities/EAs]**

### **2. Affordable Housing & Preventing Homelessness**

- \$166M in year 1 to continue implementation of the 10-year housing plan with a goal of delivering 114,000 affordable homes in BC.
  - Includes \$100M to non-profit housing providers to accelerate the construction of mixed-income housing through the Community Housing Fund. It also adds additional resources for the HousingHub at BC Housing **[CRHC, non-profits]**
- \$633M over 3 years to expand services;
  - \$35M over 3 years for former youth in care by providing support beyond 19th birthday
    - As of 2022/23, temporary housing and support provided in 2020 will be permanent, and \$600-a-month rent supplement will be introduced for program participants. **[CRHC, non-profits]**
    - In years 2 & 3, the Young Adults program will be expanded to include counselling, medical benefits and life-skills programming.
  - New \$600-a-month rent supplement for more than 3,000 people to help become stably housed, with integrated support. **[CRHC, CRHD, non-profits]**

- Doubling staff/community integration specialists to navigate government programs.
- \$164M over 3 years to expand the Complex Care housing model to at least 20 more sites throughout the province. **[CRHC, CRHD, non-profits]**
- \$264M to ensuring housing support for temporarily housed in leased or purchased hotel and other spaces during the COVID-19 pandemic. **[CRHC, non-profits]**

### 3. Environment

- \$1.0B in new funding for CleanBC
  - \$9M over 3 years to expand the Low Carbon Fuel Standard and to develop a new emissions cap on natural gas utilities to meet legislated emissions reductions. **[climate action, municipalities, facilities]**
  - Supporting clean transportation
    - PST exemption for used zero-emission vehicles (ZEVs), effective now until 2027, and a higher threshold for luxury surtax on passenger ZEVs to a base of \$75,000. **[IWS, fleet?, municipalities]**
    - Motor fuel tax exemption for the use of hydrogen in internal combustion engines effective immediately. **[IWS, fleet?, municipalities]**
    - \$79M to continue the Go Electric program, providing rebates for electric-vehicle charging systems, hydrogen refueling infrastructure and commercial vehicle pilot projects. **[municipalities, facilities]**
    - \$30M in grants available to local governments to improve active transportation infrastructure, like bike lanes and multi-use pathways. **[transportation, grants, municipalities]**
    - \$249M in Low Carbon Fuel Credits for light-duty zero-emission vehicles. **[IWS, fleet?, municipalities]**
    - \$5M over 2 years to continue the Heavy-Duty Vehicle Efficiency Program to educate drivers and install fuel-efficiency measures in heavy-duty vehicles. **[IWS, fleet?, municipalities]**
  - Supporting energy efficient buildings
    - Continuing incentives through CleanBC Better Homes, Better Buildings program. **[building inspection?, planning, climate action]**
    - Introducing a Clean Buildings Tax Credit to encourage major retrofits for multi-unit residential and commercial buildings to meet CleanBC standards. **[building inspection?, planning, climate action]**
    - Introducing a PST exemption on heat pumps, paired with an increase to the PST on fossil fuel heating equipment to 12%. **[building inspection?, planning, climate action]**
  - \$310M to support industry to decarbonize to be net zero by 2050 **[building inspection?, planning, climate action]**
  - \$76M for a new local government climate action program that will help municipalities reduce emissions and prepare for and adapt to climate change. **[grants, planning, climate action, municipalities]**
  - \$22M over 3 years for emissions reductions in BC's forests improving carbon sequestration and to expand the Indigenous Forest Bioeconomy Program. **[economic development, climate action, FNR]**
  - \$15M over 3 years to support on-farm upgrades to sustainable and climate-resilient agriculture practices through the Beneficial Management Practices program. **[land use, planning, climate action]**
  - \$13M annually for further advancement of circular economy programs that reuse and collect plastic materials from the existing waste stream. **[solid waste, climate action]**

- \$25M in Cleantech innovation and partnership opportunities to support CleanBC objectives, and increasing access to venture capital for clean-tech investment. **[economic development, climate action]**

#### 4. First Nations Reconciliation

- \$12M over 3 years for the creation of a Declaration Act Secretariat to implement the Declaration on the Rights of Indigenous Peoples Act. **[FNR]**
- Funding for Indigenous primary care and Aboriginal Head Start which provides culturally based inclusive child care for Indigenous children. **[FNR]**
- \$44M in new funding for establishment of a new Ministry of Land, Water and Resource Stewardship to bring the Province's natural resource policy framework in line with UNDRIP. **[FNR]**

#### 5. Support Services

- \$289M over 5 years in new funding to connect more than 280 First Nations, rural and remote communities to high-speed internet. **[FNR, EAs, municipalities]**
- Through a new agreement with the federal government, full-day infant and toddler care will be reduced by 50% to \$20 a day by the end of 2022. **[Recreation?]**
- Fees for preschool, before and after-school care to be less than \$20 a day for the 2023-24 school year. **[Recreation?]**
- \$172M over 3 years to provide more accessible and inclusive services for children and youth with support needs including establishing family connections centres throughout the province. **[municipalities, EAs]**
- Continued investment to support survivors of sexual assault through core funding of 50 community-based sexual assault response organizations (since 2002) **[municipalities, EAs]**
- \$3M in new funding over 3 years to continue implementation of the Accessible British Columbia Act developing accessibility plans for persons with disabilities, regulations, and establish a provincial accessibility committee **[municipalities, EAs]**

#### 6. Emergency Response

- \$2.1B over 3 years including;
  - \$1.5B to build critical infrastructure after disastrous weather events in 2021
    - \$400M in year 1 for EMBC to support people and communities. **[Emergency Services]**
    - \$1.1B over the next 3 years in contingency for disaster recovery costs. **[Emergency Services]**
- \$600M in operating and capital funding for continuing the response to climate-related disasters, prevention and recovery projects.
  - \$145M in new funding for wildfire services
    - BC Wildfire Service will move to a year-round workforce: prevention and mitigation, preparedness, response and recovery. **[Emergency Services]**
  - \$98M over 3 years to maintain forest service roads used to respond to forest fires. **[Emergency Services]**
  - \$210M to support community climate-change preparedness and emergency management, including through the FireSmart program, the Community Emergency and Preparedness Fund. **[Emergency Services]**
  - \$83M to implement new Climate Preparedness and Adaptation Strategy including \$30M in grants to safeguard watersheds. **[Emergency Services, climate action]**

## 7. Capital Program Spending

- \$46.5M to replace Cedar Hill Middle through the Seismic Mitigation Program. It will deliver a 575-capacity middle school by early 2025. Includes low-carbon design features and a neighbourhood learning centre space. **[municipalities, climate action]**
- \$90M for the expansion of the Engineering and Computer Science Building and construction of a new Engineering laboratory building at the University of Victoria **[municipalities]**
- \$27M for the National Centre for Indigenous Laws at the University of Victoria that will be home to the world's first joint degree in Indigenous legal orders and Canadian common law **[municipalities, FNR]**
- \$229M to construct two student housing buildings at the University of Victoria that will include 621 net-new beds, a dining facility and multi-purpose program space **[municipalities, housing]**
- Procurement and delivery of the first 10 battery electric buses for use by BC Transit in Victoria to reduce carbon emissions and improve rider experience. **[transportation, climate action]**
- Construction of a flyover from Highway 17 northbound to Keating Cross Road westbound in Central Saanich to improve safety by eliminating left turn across highway traffic onto Keating Cross Road and realigning the southbound highway on-ramp. **[municipalities, transportation]**
- As part of the modernization and renewal of the Royal BC Museum, a new collections and research building will break ground in Colwood in 2022 with anticipated completion in 2025. **[municipalities]**
- \$89M for two new schools in the Sooke School District, the 500 student Pexsisen Elementary and the 700 student Centre Mountain Lellum Middle school. **[municipalities]**

## 8. Other Budget Items of Interest

- \$664M over 3 years for growing K-12 enrolment, totalling \$7.3 billion annually by year 3
  - To account for growth in children and youth in care, Indigenous learners, rural schools and students with support needs.
- \$3.1B in capital over 3 years to seismically upgrade schools throughout the province
- Draft anti-racism data legislation to be introduced in spring 2022 to help provide better and more equitable services by enabling the consistent collection, use and disclosure of demographic data, and identify gaps in services to Indigenous and racialized communities.
  - builds on efforts underway including modernizing the Police Act, developing a K-12 anti-racism action plan and anti-Indigenous racism in health care.
- \$50M to implement the Stronger BC Economic Plan, with investments to grow BC's life sciences, manufacturing and agricultural sectors, and continued economic development.
  - includes an integrated marketplace of made-in-BC clean technologies.
  - includes Future Ready, a comprehensive plan to close the skills and labour gap.
- \$25M in year 1 for health-care assistants to address critical staffing shortages in the long-term care, assisted living and home care.
- \$21M over 3 years for adult education through the Graduated Adult Program including tuition-free adult literacy programs.
- \$21M to certify more skilled trades journeypersons or apprentices in electrical, mechanical and automotive.
- \$18M to support the continued growth of the mining sector through the Regulatory Excellence in Mining strategy.
- \$185M over 3 years to support forestry workers and communities affected by old-growth logging deferrals.

## 9. Budget Notes of Interest

- Economic Highlights
  - economy expanded ~5% in 2021 and is forecast to expand ~4% in 2022, ~2.5% in 2023.
  - Through November 2021, retail sales in BC were up 13.6% compared to 2020.
  - In November 2021, sales through food services were 2.6% above pre-pandemic levels.
  - housing markets and residential construction reached record highs, in volumes of sales, housing starts and prices in 2021.
    - home sales increased by 32.8% in 2021 compared to 2020.
    - average home sale price in BC increased by 18.7% in 2021 following an 11.6% increase in 2020.
    - housing starts increased by 25.6% in 2021 to a record 47,607 units.
  - Provincial unemployment rate averaged 6.5% in 2021, down from 8.9% in 2020. The unemployment rate in January 2022 was 5.1%, 0.1% below pre-pandemic levels.