

BUDGET
2024

StrongerBC
for everyone

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Budget 2024

Budget 2024 takes action on the big challenges people are facing today to help working and middle-class families get ahead

- **Helping with people's everyday costs** while tackling the root causes that are making things more expensive, like housing
- **Delivering more homes for people, faster** to help people find housing that they can afford in the community where they want to work
- **Strengthening health care and services** people rely on with steady investments—not deep cuts
- **Building a stronger, cleaner economy** that works better for people with good job opportunities today and for our kids and grandkids

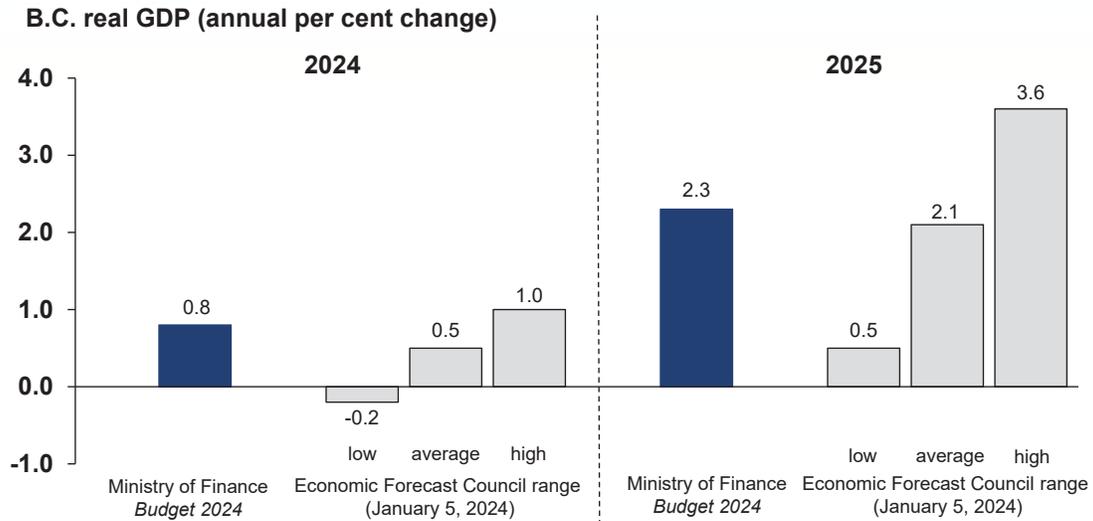
2023/24 Updated Q3 Forecast

- The updated 2023/24 forecast projects a deficit of \$5.9 billion, which is \$357 million higher than the *Second Quarterly Report*
- Key changes since Q2 include:
 - Higher personal income tax and lower corporate income tax revenues
 - Lower revenues from natural resources, mainly natural gas royalties
 - Lower Crown corporation net income – BC Electricity Affordability Credit
 - Higher spending for wildfire and other emergencies
 - Release of the forecast allowance

Summary of Current Economic Situation

Labour Market	Employment grew by 1.6% in 2023; unemployment rate was 5.4% in Jan 2024
Population	International migration was strong through the third quarter of 2023; while interprovincial migration continued to post small declines
Consumer Spending	Retail sales growth remains modest at 0.8% year-to-date to Nov
Inflation & Interest Rates	Total inflation was 3.4% in Dec; housing and food costs remain high; interest rate cuts expected in 2024
Housing Market	Housing starts reached a record high of 50,490 units in 2023; home sales slowed in the second half of last year and were down 9.2% in 2023
Exports	The value of goods exports was down 13.1% in 2023 due to weaker demand and lower prices for key commodities
Global Growth & Supply Chain Risks	Private sector projections for some of B.C.'s major trading partners have been lowered for 2024; supply chain disruptions may keep global prices elevated this year

Budget 2024 B.C. Economic Outlook



Sources: B.C. Ministry of Finance; Economic Forecast Council range (low/average/high of Economic Forecast Council).

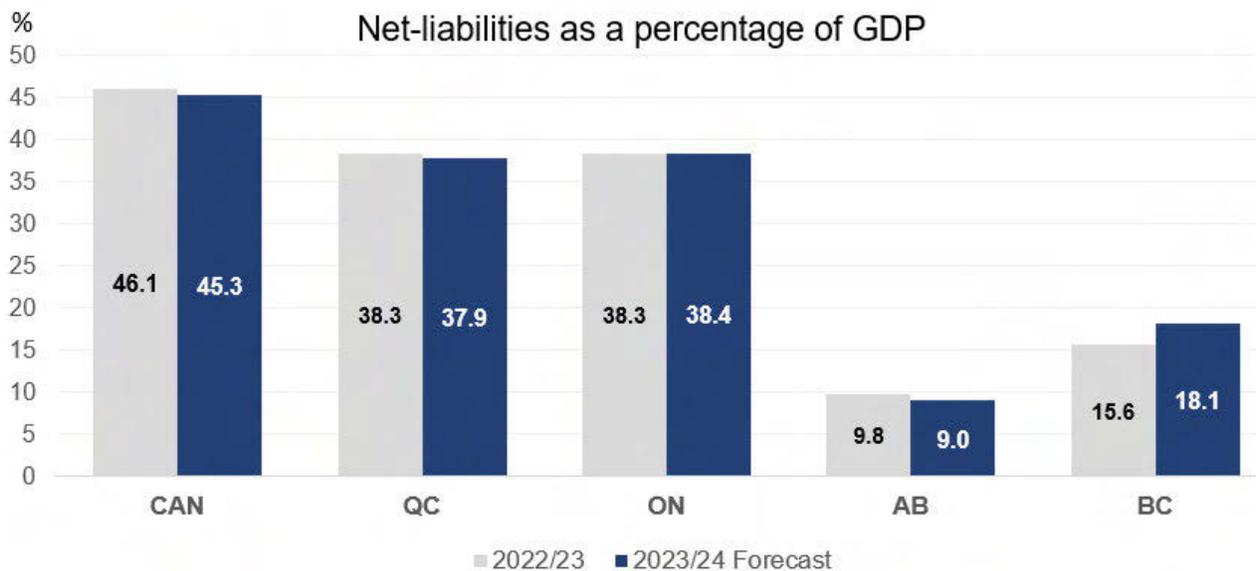
Budget 2024 Highlights

Budget 2024 Fiscal Plan

(\$ millions)	Updated Forecast 2023/24	Budget Estimate 2024/25	Plan 2025/26	Plan 2026/27
Revenue	77,320	81,523	82,838	86,408
Expense	(83,234)	(89,434)	(90,611)	(92,696)
Deficit	(5,914)	(7,911)	(7,773)	(6,288)
Capital spending:				
Taxpayer-supported capital spending	10,107	14,104	15,082	14,083
Self-supported capital spending	4,752	4,652	3,955	4,623
Total capital spending	14,859	18,756	19,037	18,706
Provincial Debt:				
Taxpayer-supported debt	71,863	88,639	109,182	126,499
Self-supported debt	31,920	34,628	36,078	38,474
Total debt	103,783	123,267	145,260	164,973
Taxpayer-supported debt to GDP ratio	17.6%	21.0%	24.8%	27.5%
Taxpayer-supported debt to revenue ratio	95.1%	111.8%	136.2%	151.2%

- More funding for cost of living measures, homes, health care, and clean economy
- Higher capital spending in education, health care, and transportation
- Provincial debt is lower than forecast in 2023/24 compared to *Budget 2023*, and increases over the fiscal plan

Debt Sustainability



Easing the Pressures of Everyday Costs

- \$248 million for a new one-time bonus on the existing BC Family Benefit from July 2024 to June 2025 including expanding eligibility to more families
 - \$370 million for a one-time BC Electricity Affordability Credit from April 2024 to March 2025
 - Over \$100 million per year to support small and growing businesses by reducing Employer Health Tax through an exemption threshold increase from \$500,000 to \$1 million
- On average, \$445 more for eligible families through the BC Family Benefit Bonus
 - \$100 average savings per household on electricity bills
 - 90% of businesses now exempt from Employer Health Tax

8

Delivering More Homes for People, Faster

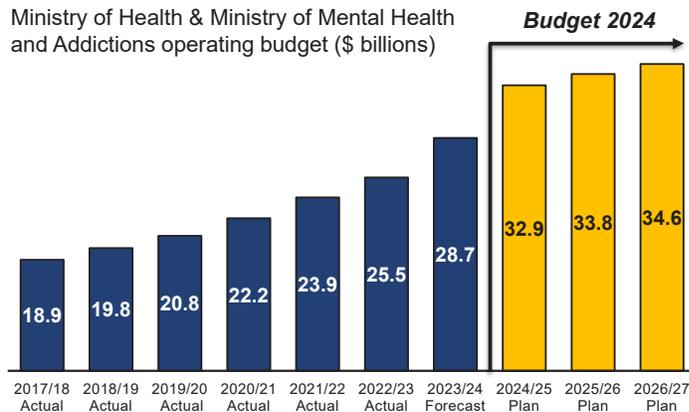
- New tax targeting home flipping activity to prioritize homes for people and discourage short-term speculation that inflates housing costs, starting January 1, 2025
- \$198 million over three years in operating and capital funding for BC Builds to deliver more rental homes for people, faster
- \$102 million per year in lower costs for first-time home buyers and people buying a newly built home through increased property tax transfer exemption measures
- Property transfer tax exemption for new, eligible purpose-built rental buildings between Jan 1, 2025 and Dec 31, 2030 to lower costs and encourage development of rentals

9

Strengthening Health & Mental Health Care

\$6 billion over three years in new health and mental health funding

Ministry of Health & Ministry of Mental Health and Addictions operating budget (\$ billions)



- \$270 million more for cancer care supports
- \$354 million more for home and community care services for seniors
- \$215 million more for mental health, addictions and treatment
- \$68 million to reduce costs for in-vitro fertilization starting in 2025

Figures represent three-year fiscal plan costs

10

Delivering the Services People Rely On

- \$968 million for K-12 education enrolment growth
- \$150 million for children and family supports including children in-care or alternative care arrangements, medical benefits and individualized autism supports
- \$30 million to better support children with dyslexia and related learning differences in the K-12 school system
- \$398 million for justice and public safety services
- \$300 million to support more people receiving income and disability assistance
- \$105 million to help more adults with developmental disabilities access services through Community Living BC

Figures represent three-year fiscal plan costs

11

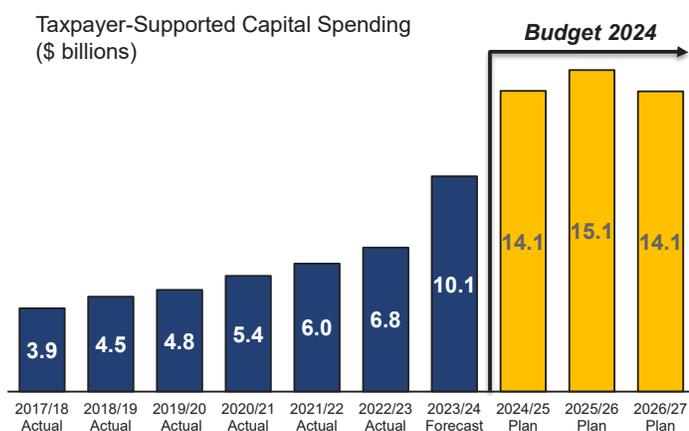
Stronger, Cleaner Economy

- \$405 million to better prepare for and respond to climate emergencies
- \$435 million for CleanBC and clean economy initiatives including advancing the new made-in-B.C. Critical Mineral Strategy
- \$24 million to provide safer access to First Nations communities
- \$474 million to support critical transportation networks and community infrastructure
- New tools and planning underway to develop equity financing program framework with First Nations, to support partnerships with industry

Figures represent new spending measures starting in 2023/24 that span the fiscal plan period

Building Infrastructure for the Future

- \$43.3 billion of taxpayer-supported capital over the three-year plan to deliver critical infrastructure
- Government is continuing to invest in the expansion and maintenance of provincial infrastructure, including schools, post-secondary facilities, roads, bridges, and hospitals



Budget 2024 Summary

- Takes action on the big challenges facing British Columbians to make life better for everyone
- New funding and measures to ease the cost of living, deliver more homes faster, strengthen services, and build a stronger and cleaner economy
- Significant investments to support hospitals, schools, housing and transit systems to support the growing B.C. population
- Working with people, businesses, communities and Indigenous Peoples to build a stronger BC together

14

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