

# Economic Development Highlights of 2024 BC Budget

**FEBRUARY 22, 2024**

The 2024 BC Provincial Budget released today represents the current government's focus on housing, affordability, health care, community safety and building a stronger and cleaner economy.

Overall, the budget has few new initiatives including a one-time BC Electricity Affordability Credit for people and businesses, a BC Family Benefit Bonus and expanded first-time home buyers program. Additionally the 2024 budget includes funding that will help BC mitigate and better respond to climate emergencies by reducing flooding, bolstering resources for evacuees, improving wildfire prevention and response and improving drought resiliency.

The budget includes capital investments to fund schools, post-secondary facilities, housing, health-care facilities, road and other infrastructure over the next 3 years.

The budget includes funding to support CleanBC initiatives including more heat pump rebates, funding for electric vehicle charging infrastructure and the new made-in-BC Critical Minerals Strategy in collaboration with First Nations, industry, local governments and the public, and strengthens resources for mine permitting.

Effective January 2025 a new flipping tax on profits made from selling a residential property within two years of buying it will come into effect. This is intended to target those trying to profit from housing speculation and includes exemptions for specific life circumstances.

This summary focuses on the economic development implications of these priorities, which are minimal, as well as notable trends and program changes that are relevant for BC communities.

## **Economic and Budget Outlook**

In 2023, BC's economy posted modest growth, softening due to high interest rates and slowing domestic and global economic activity. Modest growth is also expected in 2024 with real GDP expanding by 0.8%. Economic growth is expected to rise in 2025 to 2.3% by forecasted steady employment and wage growth, gains in consumer spending, solid investment activity and higher exports as the global economy recovers.

Total government revenue is forecasted at \$81.5 billion in 2024-25, \$82.8 billion in 2025-26 and \$86.4 billion in 2026-27. Revenue growth is expected to be driven by a growing tax base due to population growth as well as economic growth and increasing revenues from the natural resource sector.

Expenses over the 3 year fiscal plan are forecasted at \$89.4 billion in 2024-25, \$90.6 billion in 2025-26, and \$92.7 billion in 2026-27. Investments will help support the programs and services including investment in health care, mental health, housing, emergency preparedness and response and public safety.

BC's taxpayer supported debt is projected to be \$79.9 billion at end of 2024, \$3.8 billion less than projected at 2023 Budget. Total provincial debt is expected to increase over the fiscal plan.

The taxpayer supported debt to GDP ratio, a key metric used by credit rating agencies, is forecast at 21% in 2024-25, 24.8% in 2025-26 and 27.5% in 2026-27.

Taxpayer supported infrastructure spending is forecasted to be \$43.3 billion over the 3-year fiscal plan with an additional capital spending of self-supported Crown corporations is expected to total \$13.2 billion over 3 years relating primarily to electrical generation, transmission and distribution projects.

## Affordability

### BC Family Benefit

More families with children will get more help with costs. Families will see a 25% increase to their monthly benefits starting in July 2024. A family of 4 will receive up to \$2,850 per year and with a one year bonus will now receive as much as \$3,563.

On average families will receive \$445 more and more families will benefit. Approximately 66,000 more families will receive the benefit and the bonus this year.

### BC Electricity Affordability Credit

People in BC will get a break on their electricity bill thanks to a one-time year-long BC Electricity Affordability Credit:

- Households will save an average of \$100 on their bills over course of the year, depending on their power usage;
- Commercial and industrial customers will also receive savings up to 4.6% of their electricity consumption

People and businesses will see the credit on each monthly bill starting April 2024.

### Climate Action Tax Credit Increase

Individuals and families will see an increase to their quarterly Climate Action Tax Credit and the number of people receiving the tax credit will increase to 80% of households by 2030. If a family of 4 received \$890 last year, they will receive \$1,005.

### Employer Health Tax

The Employer Health Tax exemption threshold will double from \$500,000 to \$1 million. This change means 90% of businesses will be exempt from the Employer Health tax.

## **Renter Tax Credit**

Starting in 2024 as people file their 2023 income tax, renters will see up to \$400 come back to them through the BC Renter's tax credit.

## **Housing**

### **BC Home Flipping Tax**

Effective January 1, 2025 the BC Home Flipping Tax taxes the profit made from selling a residential property within 2 years of buying it, with specific exemptions for life circumstances such as divorce, death, illness and relocation for work, among others. Revenue from this tax will go directly to building affordable housing throughout BC.

### **Property Transfer Tax Exemption**

Increases to the threshold for first time buyers. Qualifying first time buyers can benefit when they purchase a home worth up to \$850,000, with the first \$500,000 completely exempt from the property transfer tax. People purchasing new construction worth up to \$1.1 million will also see lower costs through the newly build home exemption. Purpose built rental buildings of four or more unit will also receive a property tax exemption until 2030.

### **BC Builds**

\$198 million in new funding for BC Builds to support the development of new housing for middle income people and families. BC Builds leverages government owned, public and underused land and low-cost financing to bring down construction costs and deliver homes in reach of middle income earners.

## **Health Care**

### **Cancer Care**

\$270 million to deliver treatments and strengthen prevention and screening services.

### **Home and Community Care Services for Seniors**

- \$227 million for home health care services to help with daily activities such as bathing, grooming, lifts and transfers and nutrition.
- \$127 million for community based services such as better at home helping with day to day tasks like grocery shopping, light housekeeping.

### **Mental Health and Addictions**

- \$117 million to continue to support 2,200 community mental-health and substance-use treatment beds
- \$49 million to support existing harm reduction initiatives
- \$39 million to fund existing peer-assisted care teams
- \$10 million to support the development and implementation of treatment and recovery programs.

## **K-12 Education**

- \$968 for more staff, \$255 million for classroom enhancement funds to hire more teachers, and support staff.
- \$4.2 billion to build, renovate and seismically upgrade schools.

## **Justice and Public Safety**

\$398 million to help with community safety including access to the justice system by expanding the early resolution model and legal aid services.

Additional funding will support public safety programs such as correction centres, the BC Coroners Service and RoadSafetyBC program.

## **Help for People who need care and support**

- \$114 million for children in alternative care arrangements, improving front line support in the child welfare system with new staff including root workers who support Indigenous children and youth.
- New funding of \$30 million over 3 years to support children with dyslexia and related learning differences. It will support early literacy and create 8 new Provincial Outreach teams to provide screening and literacy supports.
- New funding of \$26 million to support children and youth with an autism diagnosis or complex health needs.
- An additional \$105 million to Community Living BC to improve quality of life for people with developmental disabilities.

## **Stronger, Cleaner Economy**

### **Responding to Climate Emergencies**

\$405 million more over 4 years including \$154 million in operating and \$21 million in capital funding including:

- \$56 million for aviation preparedness and response through increased funding for helicopters and air tanker services
- \$60 million for the Forest Enhancement Society of BC to continue industry and community focused wildfire risk reduction and fuel management
- \$38 million to support year round resourcing including fire crew leaders and front-line staff
- \$21 million for a new Prince George equipment depot
- More supports for evacuees to get the services and support they need with call centre and on site staff. \$18 million dollar to boost year round delivery of response and recovery programs.

### **Flood and drought mitigation Infrastructure**

- \$83 million to expand the Agriculture Water Infrastructure Program to help farmers and rangers manage, collect, transport and store water for agricultural and irrigation purposes.

- \$50 million for water metering pilot program in 21 communities throughout BC with the aim of better conserving water, identifying leaks and educating users about their actual water use.
- \$77 million to upgrade the Barrowtown pump station in Abbotsford
- \$14 million to help replace the 50 year old Cowichan Lake Weir
- \$10 million to increase the water storage capacity and better sustain the required environmental water flow of Saint Mary Lake on Salt Spring Island by raising the dam height.

### **Advancing the clean economy**

Additional \$93 million will help people and communities reduce emissions including:

- \$40 million for additional heat pump rebates for households with low and middle incomes
- \$20 million for active transportation grants for communities
- \$30 million to continue the implementation of electric vehicle public charging infrastructure
- \$3 million to support youth involvement in climate action initiatives

In 2024 the Province launched the first phase of a made-in-BC Critical Minerals Strategy to build a clean economy by expanding the critical minerals sector in alignment with the BC Declaration of the Rights of Indigenous Peoples Act. \$24 million to support collaboration with First Nations, industry, local government and the public and ensure adequate resources for mine permitting.

### **Strengthening and inclusive economy**

Budget 2024 establishes enabling tools to help support equity financing opportunities for First Nations. These tools include provincial equity loan guarantees and other supports through the new First Nations Equity Financing Framework. The framework will assist First Nations in pursuing self-determination participation in important projects across a broad range of sectors.

Eleven First Nations communities that rely on 5 forest service roads for primary access will see improved safety with nearly \$24 million over 4 years in road maintenance funding.

### **Supporting Self Determination**

Budget 2024 lays out a new approach for assessment and property taxation on Modern Treaty Nations' core governance lands that puts exclusive decision making for most property interests on the Nisga'a Lands and Treaty Lands into the hands of Modern Treaty Nations and enables them to design approaches that best reflect their unique circumstances.

### **Critical Transportation Networks and Community Infrastructure**

\$15.5 billion in capital investment over the next 3 years including:

- Highway 1 projects through the Fraser Valley and from Kamloops to the Alberta border; major infrastructure projects like the Fraser River Tunnel project and the Pattullo Bridge; and transit projects like the Broadway Subway and the Surrey Langley SkyTrain.
- \$248 million for BC Transit to expand infrastructure to support increased service and ensure the efficiency of the province's transit system to reduce traffic congestion and support safe and affordable transit for people in BC.

21 local governments that make up the Northwest BC Resource Benefits Alliance will receive \$250 million over 5 years. Funding will support planning and construction of municipal infrastructure such as roads, water, sewer and other community facilities needed to create livable communities.

**Future Ready**

\$228 million over 3 years will sustain programs under the Province's StrongerBC: Future Ready Action Plan helping people get skills they need to succeed in a changing economy.

**SUMMARY PREPARED BY:**

Rose Klukas  
BCEDA Director  
Director of Economic Development & Indigenous Relations  
City of Campbell River