

FOR IMMEDIATE RELEASE – February 22, 2022

## **BC Budget Needed to Commit to a BC Tax Review**

– Finance Minister to Speak at Digital Event to Surrey Businesses on BC Budget on February 25 at 1:30pm

Today, the Surrey Board of Trade's Policy & Research Manager, Jasroop Gosal, was in Victoria at the BC Budget lock up this morning to hear the BC Government release their 2022 Budget and Three-Year Fiscal Plan before it was released to the public.

<https://news.gov.bc.ca/releases/2022FIN0005-000251>

### **OBSERVATIONS**

"When examining the overall debt to GDP ratio, BC is still better off than other provinces and territories affected by the pandemic," said Anita Huberman, President & CEO, Surrey Board of Trade. "However, we need to ensure that supply chains are fortified, that infrastructure investments are made now to create sustainable jobs, and that any transportation planning that takes effect in the next 3-4 years continues and is enhanced. Today's BC Budget did not commit to a review of BC's tax system, which is long overdue."

### **New Taxes**

Companies that lease goods, services and software online will now pay the PST on those leases.

### **Education**

We were especially disappointed with the lack of post-secondary investments in Surrey. Education, in addition to transportation, is the foundation of driving an economy. Today and tomorrow's workforce challenges need commitments to innovative post-secondary investments in Surrey and the South Fraser economic region.

### **Debt**

We observed that the provincial debt is forecasted to increase to \$90.8 billion at the end of 2024/25.

### **Surrey Langley Skytrain**

- Is there a dollar amount assigned? Not included in the budget, only when business case is finalized. Commitment is still there.
- What is in there now is \$589.5M over next 3 years for early road works
- Business case finalized this year

### **New Surrey Hospital**

- The plan is 168 new beds, comparable to community hospitals but not to Surrey Memorial Hospital – this increased capacity is not enough for Surrey's needs.
- There is potential for expansion further down the road, and also expansion of Surrey Memorial Hospital.
- Currently, the project is called the 'New Surrey Hospital' but hospital name will be determined during Surrey Hospitals Foundation and BC Cancer Foundation fundraising campaigns, potentially being named by donor.

### **Childcare**

- A 50% fee reduction for full-day infant and toddler care by the end of 2022 - will this be for not-for-profit childcare providers, public, or private sector?

### **2022/23 Update**

Deficit: \$5.461 billion

Total capital spending: \$1.3653 billion

Total debt: \$10.5431 billion

Real GDP growth: 4%

Nominal GDP growth: 5.8%

Debt-to-GDP ratio: 20%

Pandemic recovery contingencies: \$2.0 billion (\$195 million unallocated)

Taxpayer-supported capital spending: \$27.4 billion over three years

#### Updated Forecast, Budget and Fiscal Plan

(\$ millions)	Updated Forecast 2021/22	Budget Estimate 2022/23	Plan 2023/24	Plan 2024/25
Revenue	70,220	68,552	70,177	72,325
Expenses	(66,453)	(71,013)	(72,359)	(74,506)
General Contingencies	(1,000)	(2,848)	(3,412)	(3,987)
Pandemic/Recovery Contingency	(3,250)	(2,000)	(1,000)	-
Forecast allowance	(1,000)	(1,000)	(1,000)	(1,000)
<b>Deficit</b>	<b>(483)</b>	<b>(5,461)</b>	<b>(4,182)</b>	<b>(3,181)</b>

#### Investments for a Strong Economy

(\$ millions)	2021/22	2022/23	2023/24	2024/25	Total
Stronger BC Economic Plan.....	-	11	21	21	54
Addressing the Housing Challenge.....	-	111	12	43	166
Enhancing Digital Connectivity.....	-	5	7	91	104
Moving British Columbians and Goods....	-	26	26	26	78
Old Growth Supports.....	-	112	44	31	185
Land, Water and Resource Stewardship...	-	10	17	17	44
Advancing Mining Opportunities.....	-	8	8	2	18
Life Sciences Research.....	195	-	-	-	105
Job Training and Skills Development.....	-	39	14	14	67
Declaration Act Secretariat.....	-	4	4	4	12
<b>Total</b>	<b>195</b>	<b>326</b>	<b>154</b>	<b>250</b>	<b>925</b>

#### Highlights of the 2022 Budget include:

##### *Childcare*

- Through federal government agreement, fees for full-day infant and toddler care reduced by 50% to \$20/day by end of 2022.
- Average fees for preschool and before and after school care to be cut to less than \$20/day for 2023-2024 year.
- Wage enhancement program to be expanded to ECEs.

##### *Disaster Recovery*

- \$1.5 billion fund.

##### *Skilled Trade Certification*

- \$21 million over three years to create trades training seats, expand programs and services to support uncertified workers to become apprentices – funding will be provided through Industry Training Authority.

##### *Future Ready: Skills for the Jobs of Tomorrow*

- \$25 million for expanded training for health care assistants to address critical staffing shortages in long-term care, assisted living and home care sectors.

- \$21 million for a Graduated Adult Program.

#### *K-12 Education*

- \$664 million over the fiscal plan, \$7.3B by 2024/25.
- \$3.1 billion over next three years to build new schools.
- New Snokomish Elementary School coming to Surrey - 655 spaces.

#### *New Surrey Hospital*

- \$1,660 million towards the integrated hospital and cancer centre in Surrey. Construction is planned for a summer 2023 opening with 168 inpatient beds by summer 2027.

#### *Housing*

- \$166 million across the fiscal plan to build 114,000 affordable housing units in BC over 10 years.

#### *Transportation*

\$8 billion over three years (\$6.4 billion of provincial investment and \$1.6 billion leveraged through federal cost sharing partnerships with private organizations, local governments and other agencies), which include:

- Eight-lane immersed tube Fraser River Tunnel to replace the George Massey Tunnel on Highway 99, toll-free.
- Pattullo Bridge replacement with a four-lane bridge (expandable to six-lanes).
- Moving ahead with the business plan for the Surrey-Langley SkyTrain project and Highway 1 widening from Langley to Whatcom Road in Abbotsford.
- Widening Highway 1 through Langley between 216<sup>th</sup> Street and 264<sup>th</sup> Street for new HOV lanes, and truck parking near Highways 1 and 17 for up to 150 commercial trucks and 45 passenger vehicles.
- Upgrading Highway 91 at the Nordel Interchange; Highway 91 Connector at the Nordel Way intersection; and the Highway 17 at 80<sup>th</sup> Street intersection.
- Constructing an electric-ready ferry vessel for service in Kootenay Lake.

#### *Flooding Recovery Contingency*

- \$1.55 billion over 3 years.

#### *Forestry - Old Growth*

- \$185 million over three years for forest worker and contractor support. Connecting workers with short term employment opportunities and education and skills training

For more information visit: <https://news.gov.bc.ca/releases/2022FIN0005-000251>

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#### **FOR INFORMATION ONLY:**

#### **Surrey Board of Trade 10 Point Economic Plan**

##### 1. HEALTHCARE

This won't be the last pandemic or disaster that we face. We need to manage and contain the virus but, at the same time, governments can continue to unlock potential in primary care, digital and telehealth sectors to make these services efficient and accessible to all.

##### 2. EDUCATION

Re-skilling and up-skilling must continue to be a priority. Governments need to continue to rethink and implement new learning and education systems. Best practices include adopting hybrid learning models, building skills-based

learning modules, funding continuous learning courses, and creating virtual resource centres. Governments and employers can also foster an effective re-skilling ecosystem that includes micro-credentialing for lifelong learning.

### 3. INTERNATIONAL TRADE & SUPPLY CHAINS

Companies will need to make their supply chains more resilient—for example, by reducing the number of unique parts, building in redundancy across suppliers, near-shoring, and regionalizing supply chains. In addition to securing health equipment and essential food supplies, governments can help companies increase their resilience. At the same time, governments may need to consider the policy implications of remote working in the knowledge economy: as exports of highly skilled services grow.

### 4. STIMULUS

Stimulus needs to work. Some best practices could include expanding green energy and energy efficiency; accelerating government digitization and offering companies incentives to adopt new technologies; and shaping the workforce of the future to increase resilience in the face of rising automation.

### 5. GOVERNMENT EFFICIENCY

Deliver contactless government. The COVID-19 pandemic has made digital transformation a priority— digital channels have become more important, and citizens and customers increasingly prefer them. Examples of best practices include automating daily data collection from key operators to closely monitor and support decision making about critical food items at risk, as well as the use of “express digitization”— rapid development of automated online platforms.

### 6. FINANCIAL ACCOUNTABILITY

Manage government balance sheets with an investor mindset. Many countries have applied traditional debt issuance, revenue optimization, and expenditure control to address the immediate challenge, all of which can be further optimized. Over the medium term—one to three years—governments could monetize the assets on their balance sheets, a strategy that represents a largely untapped and potentially greater opportunity to raise additional revenue and reduce deficits.

### 7. PREPARE FOR THE NEXT CRISIS NOW

Institutionalize best-practice crisis response to prepare for the next crisis. The COVID-19 crisis has pushed many countries to identify and start creating the elements of an effective local outbreak response. Several governments have established crisis nerve centres, enabling coordination of multiple work streams across existing crisis-response structures in government and society for greater response. Establish a plan-ahead crisis unit (for example for an earthquake or flood) —a cross-functional team freed from day-to-day crisis management that looks ahead and considers simulations of various scenarios.

### 8. DATA & ANALYTICS TO HELP ALL BUSINESSES AND REDUCE CITIZEN INEQUALITIES

Make faster, better decisions using data and analytics. Assemble cross-functional teams to develop analytics solutions for faster responses to changing situations and emerging risks and issues. Next practices might include applying advanced use cases in data and analytics, such as nowcasting—forecasting the near future, present, and even the recent past using frequently measured indicators—to inform policy and decision making.

### 9. GOVERNMENT EMPLOYEES – A SMARTER WAY TO WORK

Cultivate smarter, more productive ways for public servants to work. Automation could strengthen public-service productivity and move significant numbers of public servants from back-office jobs into more valuable and meaningful citizen-facing roles.

### 10. PRIVATE SECTOR PARTNERSHIPS ARE ESSENTIAL

Partnering with the private sector and multinational institutions to design and implement well-structured stimulus measures, can help government prepare workforces for a technology-focused future and improve the long-term competitiveness and resilience of key industries.

