

StrongerBC
for everyone

BC's Economic Recovery Plan



BRITISH
COLUMBIA



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A Message from Premier John Horgan



AS BRITISH COLUMBIANS, WE'VE BEEN THROUGH A LOT RECENTLY

— and the tough times aren't over yet. The threat posed by COVID-19 remains, and no one knows when that threat will be gone. But we have made enough progress together that we can now launch the next phase of our recovery plans, while we remain vigilant against continued outbreaks.

This document shows some of the steps we are going to take now, and it represents a foundation for a strong recovery and a better future.

In short, we are going to keep supporting people through the recovery, just as we have done throughout the pandemic, by investing in health care, getting people back to work, supporting businesses and communities, and investing in the future.

By carefully managing procedures so our hospitals were not overwhelmed, and — most importantly — working with Dr. Bonnie Henry and her team of dedicated and professional public health officials, we have protected people's health.

Now, we are going to continue to keep people safe, improve health care, and address the gaps the pandemic has exposed, so we emerge better prepared for future threats.

By helping to protect essential workers, we ensured public services like public transit were maintained, and there was food on store shelves. By safely maintaining construction as an essential service, we kept building BC, and protected thousands of jobs. And we provided income support to British Columbians who found themselves suddenly out of work.

Now, our focus turns to creating jobs and opportunities — as well as the training people need to turn those opportunities into rewarding careers.

With rent supports and tax breaks, we helped thousands of businesses get through the worst of the crisis.

Now, we will make it easier for them to hire and invest.

No government had a playbook for how to respond to COVID-19. That's why one of our first responses to the pandemic was to start consulting widely with people across the province.

It was essential to hear the experiences, and the ideas, of real people from all walks of life. Beginning in the spring, Minister James and I convened a series of meetings with business, labour and Indigenous groups, economists, youth, green technology experts, faith leaders, and many more. We also heard from more than 50,000 British Columbians who participated through online surveys and virtual or telephone town halls.

This plan reflects what we heard. It supports a range of projects and initiatives, many of which were proposed by community groups and businesses. This approach allows us to respond quickly by funding some of the best ideas we heard from people on the front lines of the economy — while also providing the flexibility to adjust our response as the situation evolves.

In the months ahead, we will be taking additional actions as and when needed. We are already developing Budget 2021, which will include even more measures to help us build a provincial economy that produces rewarding careers, is cleaner and greener, unlocks the economic potential of reconciliation with Indigenous peoples, and is more resilient than before.

What does a “resilient” economy look like?

For one thing, it means families are better protected from future economic shocks and surprises.

It also means our province is less vulnerable to turmoil in the global economy. That's why our plan includes measures to help businesses invest in new technology to create the jobs of the future, and an emphasis on buying local. We will emerge from the pandemic better able to meet BC's needs with BC products, while also helping the environment and doing our part to address climate change.

Overall, moving toward a more resilient economy means getting British Columbians back to work, while supporting the infrastructure, services, and shared growth that will keep us competitive in a sustainable economy of the future.

The pandemic is probably going to throw us a few more curveballs as we learn to adapt and manage. But there are better days ahead.


JOHN HORGAN
Premier of British Columbia

A Message from Finance Minister Carole James

**THE PANDEMIC HAS REMINDED US HOW OUR
WELL-BEING AS INDIVIDUALS IS SHAPED BY
THE WELL-BEING OF OTHERS IN OUR PROVINCE.**



When I practice physical distancing, I am protecting my own health, and the health of the people around me. When my neighbours wash their hands, or stay home from work because they are feeling sick, they are doing the same. Over the past months, British Columbians have made thousands of individual efforts and sacrifices that collectively have had an enormous impact on keeping us all safer.

The economy works similarly. When someone loses a job, they have less money to spend. This is hard on that person and their family. It also hurts the rest of us. When people become unemployed, they spend less at local stores. Those stores order less from their suppliers, and businesses up and down the supply chain are harmed, with some even forced to lay off staff. These people in turn have less to spend, and the negative effects cascade through the economy.

So we all have an interest in making sure people who lost work due to COVID-19 get income supports and training for future opportunities, just as we all have an interest in helping businesses create jobs.

A growing economy offers potential benefits to everyone.

This Recovery Plan outlines some bold actions to protect British Columbians' health and livelihoods. It represents a large-scale investment in the future of our province. But we know that COVID-19 will be with us for a while. And a full economic recovery will take time. So the plan is far from the last step we will take.

The next steps, which will be included in Budget 2021, will move us closer to a post-pandemic British Columbia in which the benefits of strong economic growth are felt equally, and we take meaningful action on climate change and reconciliation with Indigenous peoples.

Fundamentally, this plan is focused on security for British Columbians.

These measures will protect your health and your livelihood. They will make health care better, while supporting jobs and the businesses that create them.

We need to be clear: we do not have to choose between protecting your health and protecting jobs. Those two things are not in competition with each other. In fact, they are closely linked. Public-health measures are not an impediment to economic recovery. It's the other way around: public-health measures are the tools we are using to open the economy, safely and steadily. If people do not feel safe, they will be reluctant to shop in stores or go to work.

Even before the pandemic, our government was committed to creating economic growth that raises the standard of living of everybody, generates sufficient government revenues to fund the services that British Columbians rely on, and furthers our CleanBC plan. COVID-19 interrupted our progress. This plan addresses the immediate challenges and also keeps us on target for those longer-term goals.

Our province entered the pandemic as an economic leader in Canada. That strong fiscal position means we are better able to support public services like health care, and make the kind of investments in businesses, training, and municipalities needed to restore growth and employment. Our plan promotes BC products, makes rural and remote communities more accessible by road and air, improves broadband access, and trains workers to fill high-demand jobs of the future.

These significant new investments will reinforce other ongoing investments we continue to make in major critical-infrastructure projects such as public-transit, roads, bridges, affordable housing, hospitals, and schools.

Before the pandemic our government had embarked on building an affordable, accessible, quality childcare system. The pandemic has reminded us that childcare is critical infrastructure, every bit as much as roads and public transit are – they all help people go to work. So our commitment to expanding childcare in BC remains stronger than ever.

Despite the challenges, our fundamental strengths have not disappeared. By taking the necessary actions now, we will return better prepared and stronger.



CAROLE JAMES

Minister of Finance and Deputy Premier

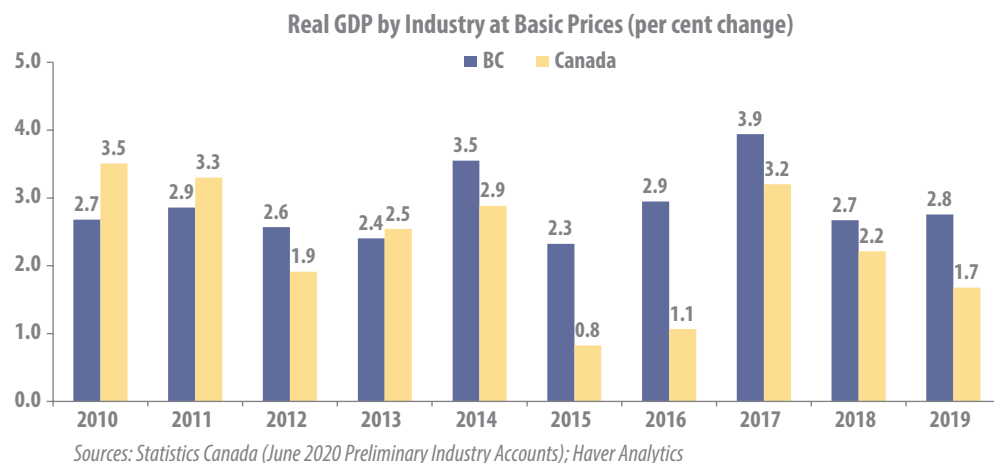
The Economic Impact of COVID-19

BEFORE THE PANDEMIC, BC's economy was among the strongest in the country. In 2019 in BC:

- Real GDP growth was 2.8 per cent, better than the Canadian average of 1.7 per cent;
- The unemployment rate was 4.7 per cent – the best in Canada;
- Employment grew by 2.6 per cent, an increase of 65,400 net new jobs; and
- Wages and salaries grew by 5.6 per cent, following growth of 6.0 per cent in 2018, well above the longterm historical average of 4.7 per cent.

And BC continued to be a destination of choice for immigrants. In 2019, BC welcomed a net total of 64,441 persons through international migration, a record high number of newcomers, while interprovincial migration contributed a net total of 9,551 persons, slightly more than in 2018.

CHART 1 – Real GDP



As with other economies across Canada and around the world, in BC the economic effects of the COVID-19 pandemic have been dramatic. What it produced was not a normal downturn in the business cycle, but something much more severe.

The economic dynamics of the pandemic have moved through several phases. The first phase was sudden, severe, and relatively short. During these initial months, governments' immediate focus was on protecting people's health, including by limiting social interactions. Doing so unfortunately required temporarily shutting down many businesses, especially in the public-facing service sectors.

These measures were essential; without them, the damage to people's health, and the economy, would have been unimaginably worse. But they also had severe consequences, which included the fastest and largest declines in employment, and contraction in overall economic activity, in our history. In Canada, economic activity fell by an annualized 38.7 per cent in the second quarter of 2020 – a record drop in such a short period of time. In BC, the unemployment rate increased to 13.4 per cent in May from 5.0 per cent in February.

The effects were not felt equally across all industries or demographic groups. The public-facing service sector was hit very hard, with employment declines concentrated in retail trade, information, culture and recreation, and accommodation and food services. Women and youth were especially affected, since they tend to be over-represented in some of the hardest hit service sectors. And women were more likely to be affected by the sudden lack of childcare resulting from the closure of schools and childcare centres.

The result was a situation in which the most vulnerable people in the labour market bore the brunt of the slowdown.

During this first phase, many economic interventions by governments were focused on helping people observe health restrictions. For example, income supports and rental protections meant people could afford to stay home from work.

Business supports offered some protection, as well as short-term incentives to keep employees on staff. The Bank of Canada also moved quickly to ensure liquidity and stability in the financial markets.

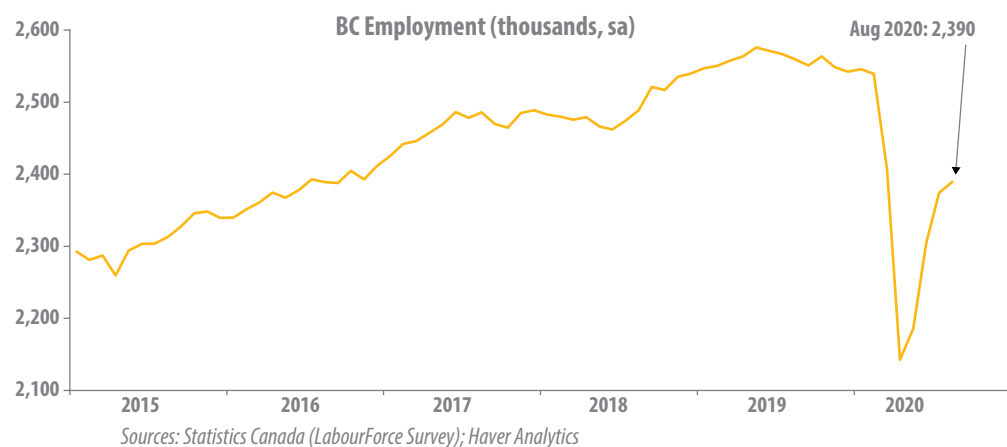


Such measures kept consumer spending and confidence stronger than it would otherwise have been. Even still, retail sales fell sharply, with nominal retail sales in BC experiencing its largest monthly decline on record in April.

By late spring and early summer, our economy started to re-open safely, and to recover from the supply shock of the first phase. As restrictions began to ease in May, retail sales rebounded. Retail sales were only 0.2 per cent lower in June compared to February 2020.

With businesses re-opening, even if not necessarily at full capacity, a portion of the jobs that had been lost were restored. As of August, almost 250,000 jobs had been restored, equal to 62 per cent of the total jobs lost due to the pandemic. However, with 149,600 fewer jobs in August compared to February, there is still much work to be done.

CHART 2 – BC Employment



The economic challenges we face now are somewhat different from what they were in the spring. Restoring the jobs lost will require more than just continuing the kinds of relief and liquidity measures that have been so important to date, and that remain necessary.

After a very difficult number of months, many businesses continue to experience serious cash-flow problems, but with limited capacity to take on even more debt.

Businesses everywhere — not just in BC — are not confident. The Bank of Canada's latest Business Outlook Survey, released in July 2020, indicates that business sentiment is negative across all regions in Canada, as businesses navigate pandemic-related uncertainty. While business confidence appears to have recovered somewhat, based on the August survey results, many business owners remain concerned about the general state of their business' health, and in particular, the short-term outlook.

Likewise, consumer confidence has been battered. In April, BC consumer confidence reached the lowest level on record since data became available in 2002, according to the Conference Board of Canada's Consumer Confidence Index. Consumer sentiment has improved somewhat since then, but in August it was still 52.3 points lower than in February.

This softening in consumer confidence may explain why even people whose incomes have not been affected by COVID are spending less and saving more.

These factors illustrate how the economic challenges we face now are different from those we faced in the spring. After a sharp supply shock that was concentrated in certain sectors, the aftershocks are more widespread throughout the economy.

Although these challenges are perhaps not as acute as the ones we faced in the spring, they are potentially more stubborn. Even if there were a COVID vaccine universally available tomorrow, the economy likely would not bounce back to pre-COVID levels on its own.

CHART 3 – BC Retail Sales

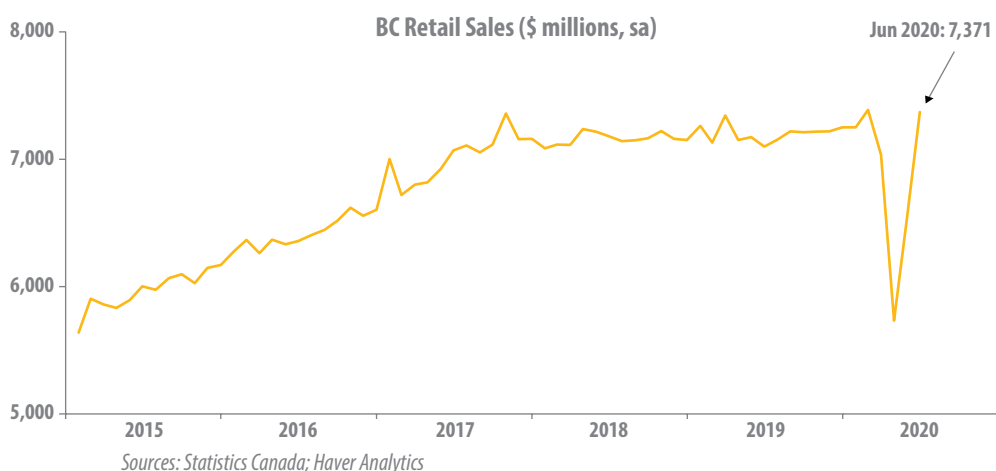
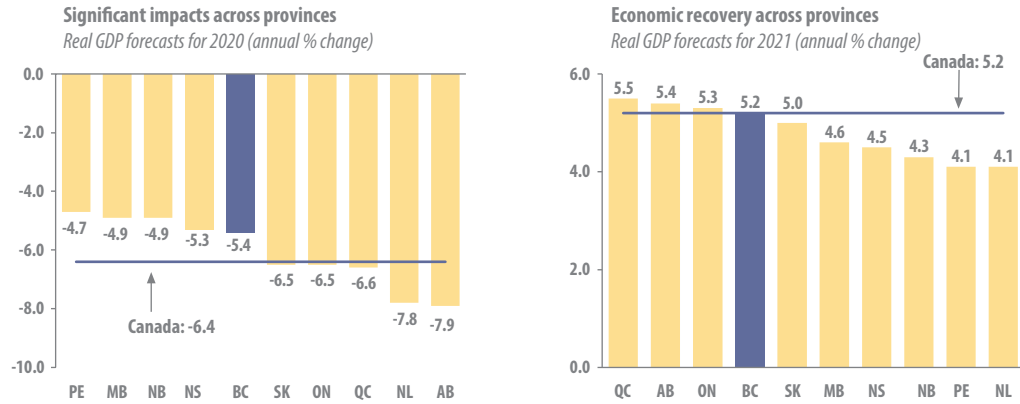
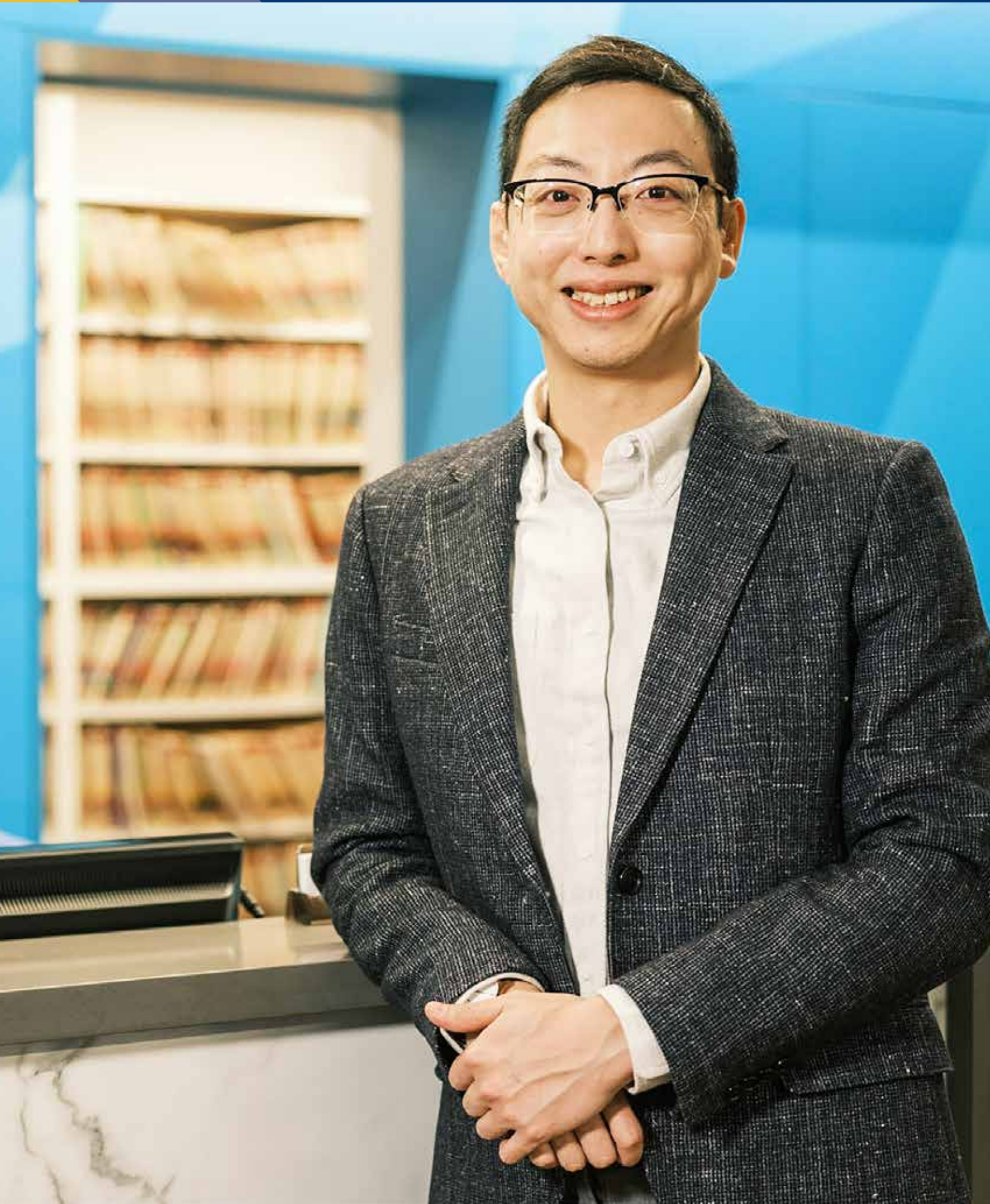


CHART 4 – Private Sector Economic Outlook



Source: Average of a subset of the Economic Forecast Council that regularly forecasts economic performance in all provinces (BMO, CIBC, National Bank, RBC, Scotiabank and TD) as of August 28, 2020.



Restoring Growth: Budget 2021 and Beyond

BUILDING ECONOMIC MOMENTUM requires supporting employment and restoring business and consumer confidence. This recovery plan is a significant step in that direction. It helps businesses hire, make capital investments, or just get through the months ahead. These important measures will keep thousands of people attached to their jobs, and will help firms survive, even if not at full capacity for now.

The plan supports families who need it most, including Indigenous communities, young people, women and new Canadians. It offers training to people who have lost work, so they are prepared for new opportunities. It creates jobs in the short term while promoting social and environmental benefits that will last for years. It will connect more British Columbians with the internet access they need to thrive.

The plan improves public health, which will enable British Columbians to safely and confidently resume economic activities.

It facilitates safe schooling and childcare services, which will allow people to go to work.

But while all of these are essential, they are not sufficient to restore growth to pre-pandemic levels and beyond.



It is clear that strong and sustained public investment will be required in the months and years ahead. This is not to say that the government will simply hire everyone who lost a job – far from it. Most of the jobs will come from the private sector. But the private sector cannot be expected to get there on its own.

The public sector has the unique responsibility to help create overall economic growth as a primary goal. And the economic shocks brought on by COVID-19 mandate going beyond the policy tools that are often used to stimulate growth during a “normal” downturn.

Major, sustained public investments in infrastructure, like roads, bridges, health care, childcare, housing and education, are essential to restoring public confidence and stimulating aggregate demand. These investments will create jobs, boost demand, and grow the economy in the short term and the long term. They represent the foundation upon which our recovery must be built, while providing an opportunity to partner with other levels of government to further expand these critical investments.

Investments of these levels offer enormous advantages: they will improve quality of life for British Columbians, with new homes, schools, hospitals and community spaces. Value-added services and strategic infrastructure, from highways and bridges to childcare spaces, will make the economy more productive by getting people to work and goods to market for years to come.

Sustainable transportation, green energy and food security will tackle climate change and make our province more resilient and self-sufficient in the face of what is likely to be an uncertain global economy.

Robust and targeted investments in connectivity, digital tools for business and technology will create rewarding careers.

These investments will not happen on their own. While some might call for a return to cuts and austerity, that approach would prevent, rather than restore, growth.

This Recovery Plan is both a response to the immediate needs facing hard working British Columbians and the businesses that employ them — and a recommitment to quality long-term economic growth that is broadly spread throughout all of British Columbia, to the benefit of all British Columbians.



BC'S ECONOMIC FRAMEWORK

FOR TOO LONG, British Columbians saw the benefits of our province's strong and growing economy concentrated in too few hands and too few places, with real median wages declining despite steady economic growth.

That's why government in 2019 decided to create an Economic Framework to ensure all of its activities focussed on raising the standard of living for all British Columbians. The goal is "quality economic growth" that opens the door to reduced inequality and a fairer, more inclusive and prosperous society.

The values that underpin BC's Economic Framework are the same ones that are guiding our COVID-19 recovery strategy.

To speed up what will be a challenging and lengthy recovery, we need to ensure a competitive business environment to create the conditions necessary to raise wages, keep life more affordable and support vital public services like health, education and childcare.

BC's economic framework has reconciliation with Indigenous peoples and CleanBC, our greenhouse gas reduction plan, as key elements. Even before the pandemic, it was clear our economic future required action on these two fronts.

The framework seeks to build on our traditional resource and manufacturing sectors, while fostering the growth of new and complementary sectors such as clean technology and the creative industries.

The benefits of growth need to be more equally distributed. That means distributing growth across the province, not just in urban centres where living costs are high and public services already strained.

It means ensuring all British Columbians have access to good jobs, an even greater challenge in the wake of a pandemic that has disproportionately affected women, youth and the most vulnerable people in our society.

Post-secondary education and skills training, including the trades, will be critical to our success.

In developing this economic recovery strategy, government asked some basic questions. Will this initiative help British Columbians recover what they have lost? Will it support higher, real wages, now and in the long term? Will it help generate the net revenues BC needs to invest in health care, childcare, education, infrastructure and climate change? And will those benefits be fairly spread out to all British Columbians and all regions of the province?

Thousands of British Columbians have contributed to the development of this next stage of our Economic Recovery Plan through online surveys, personal submissions, briefs and roundtables that included people and organizations from every part of BC and every sector of the community.

Using the values in the Economic Framework as a starting point, government officials engaged in a detailed process of evaluation and analysis to identify new initiatives to support people, business and communities in the face of COVID-19.

Support for people — to maintain income, keep life affordable and train for new opportunities — was a top priority, as was support for businesses to recall workers and restart economic activity. New measures to help communities get back on their feet were also critical.

With these new initiatives, government is providing even more support to help make BC's economy more productive, self-reliant, resilient and technologically advanced. They include new programs for food security, increased funding for digital connectivity and investment in innovation to create new jobs and new technology right here in BC.

The result is the next stage of BC's Recovery Plan. No one could have foreseen COVID-19, but when it arrived, BC had the economic framework in place to respond both immediately and for the long term.



Better Health Care

Thousands of British Columbians have been infected by COVID-19, and many have become seriously ill. Despite the heroic efforts of front-line health care workers, over 200 loved ones have been lost.

Early on, there were real concerns that hospitals and acute care units might be overwhelmed by patients. A strong public health response avoided that scenario, and allowed our province to begin safely restarting parts of the economy in the spring. It is also a reason why economists believe our province is among the best-positioned in Canada to have a robust recovery. But that is only possible if we continue to keep people healthy. Business confidence and consumer confidence will not be restored unless people know they are safe.

In short, protecting people's health and protecting their livelihoods go hand in hand.

Our government moved rapidly to keep people healthy and safe through the first months of the pandemic by:

- Pushing the federal government to quickly close the border with the United States and require returning travellers to quarantine;
- Making immediate changes to address outbreaks in long-term care — like limiting workers to one facility and investing in supports for safer visits for families;
- Ordering over 600 beds, stretchers and mattresses, and over 480 ventilators, while postponing non-urgent surgeries, to prepare for the initial surge of hospitalizations;
- Working with public health officials to implement a strategic testing and contact-tracing strategy to stop outbreaks quickly;
- Bringing in new job protections and other supports so people could self-isolate without fear of losing their jobs or homes.

None of our success in bending the curve of infection would have been possible if it was not for the efforts of ordinary British Columbians. People from all walks of life have come together in extraordinary ways and made tremendous sacrifices to keep their families and communities safe.

While BC's pandemic response has been world-leading, it has exposed pre-existing gaps in our ability to track cases, procure necessary protective equipment, and recruit front-line health workers. A recent increase in new cases is also a reminder that the danger posed by the virus is still with us. That's why strengthening our public health care system — so it can continue to respond to COVID-19, as well as any future pandemic — is key to ensuring the economy can recover while keeping people safe.



Before the pandemic hit, our government was making excellent progress on providing faster access to improved health-care services closer to where people live. Our Recovery Plan builds on that progress. It ensures we continue to invest in the hospitals, primary care centres, and long-term care facilities, while we hire thousands of new front-line health care workers. These new positions will help keep all of us safe and provide good-paying jobs for more British Columbians at a time we need them most.

To make health care better for people in BC, we are:

- Hiring approximately 600 people, many of them retired nurses, to work as contact tracers to help follow up with everyone who has tested positive for COVID-19 and stop further spread in the community;
- Hiring 7,000 new front-line health care workers, including health care aides, to help manage outbreaks and ensure seniors get the quality care they need and deserve;
- Increasing support for mental health in the workplace, as well as enhancing suicide-prevention initiatives aimed at Indigenous and non-Indigenous youth and post-secondary students;
- Implementing a new Hospital at Home initiative that would allow patients to receive medical services in their own home from a team of health professionals, helping both those patients — and other patients, too — by reducing congestion in hospitals;
- Continuing to build new health infrastructure that fast-growing communities need — like a second hospital and cancer centre in Surrey and an expanded plan for the Richmond acute-care tower.

Getting People Back to Work

COVID-19 has profoundly changed work in British Columbia.

Thousands of families have had to deal with the sudden and unexpected loss of one or even two incomes.

Essential workers may have faced increased concerns about their health and safety at work.

Young adults expecting to find their first summer job, to save for university or to build a resume, have found themselves with limited options and competing for work with people who have many years experience.

Even for people who have been able to work remotely, work is different. Many have to juggle the challenge of working from home and balancing care for others.

We have partnered with the federal government to provide income supports to people and businesses alike, to get them through this challenging time.

Sadly, we know that despite the best efforts of everyone involved, some of the jobs that have been lost due to the pandemic may not come back for a number of years, if at all.

- Provided people whose ability to work has been affected by the outbreak with a tax-free \$1,000 one-time payment, the BC Emergency Benefit for Workers (BCEBW) to supplement the federal government's CERB;
- Provided eligible British Columbia families a one-time, enhanced payment of up to \$564 for a family of four through an expanded BC Climate Action Tax Credit;
- Helped renters with temporary relief of up to \$500 per month and a moratorium on most evictions;
- Provided a \$300 per month boost to income and disability assistance clients, including low-income seniors receiving the Seniors Supplement;
- Given BC Hydro customers who have lost income a three-month credit, saving the average residential customer \$290;
- Provided temporary housing and meal supports to the most vulnerable;
- Provided temporary, emergency funding to support childcare;
- Provided other critical government supports, including supports for persons with disabilities.

Through the Recovery Plan we will ensure people affected by COVID-19 will remain attached to the labour market, and supported as they gain new skills and experiences. We will create jobs by supporting a wide range of projects in communities across the province:

- Help create 500 new jobs in wildfire protection;
- Increase skills training and education programs in Indigenous communities by \$15 million to help more Indigenous people upgrade their skills and access new employment opportunities;
- Fund short-term training to allow up to 2,800 people to get the skills they need to work in high-demand fields;
- Add over 1,000 new short-term jobs to protect our natural spaces and help prepare for the effects of climate change;
- Provide an additional \$46 million to enhance health and safety in our childcare programs, and speed up our plan to build and open up to 1,200 more child care spaces;
- Spur the creation of good-paying, clean-tech jobs with a new Centre for Innovation and Clean Energy —a part of CleanBC;
- Invest in new opportunities for young forestry workers, while helping older workers move into a comfortable and dignified retirement;
- Create new grants to support non-profits who hire British Columbians living with disabilities.



BC CHILD OPPORTUNITY BENEFIT

STARTING OCTOBER 2020, eligible families in BC will start receiving the BC Child Opportunity Benefit. The BC Child Opportunity Benefit is a refundable personal income tax credit that provides an enhanced monthly payment to parents of children under 18. The payment will be administered automatically alongside the federal Canada Child Benefit. This program will provide significant new benefits to nearly **300,000** low and middle-income families with children.

Helping BC Businesses Hire and Grow

When the pandemic first hit, a number of economic sectors, like tourism, restaurants, and retail shopping, were shut down quickly. Doing so was essential to protect lives and buffer the economy from the devastation that would have ensued from an uncontrolled pandemic. Many business owners made the difficult decision to shut their doors in order to help curb the spread of the virus.

These initial shutdowns had a ripple effect throughout the economy. For example, when a store or restaurant closes, it not only affects the people who work there, but also delivery-truck drivers, wholesalers, manufacturers, and agricultural producers. Many different sectors in the economy are closely interconnected, which is why the economic effects of COVID-19 became so widespread so quickly.

The global market for commodities, especially in the energy sector, slowed down as demand dropped, and restrictions on cross-border travel slowed the movement of goods, workers and domestic and international travelers. So exporting and importing businesses faced those additional challenges. And everyone from agricultural producers, to universities, to the hard-hit tourism sector had to address the complications that come from disruptions to the mobility of people and goods.



Since the end of May, many businesses have re-opened. But we have not yet returned to pre-pandemic levels of employment and economic growth. In some sectors, such as tourism, the situation remains especially challenging.

Our government acted quickly to support businesses. We:

- Cut most commercial property tax bills by an average 25 per cent, providing \$700 million in relief;
- Allowed businesses to defer 2019 Employer Health Tax filing and balance due date until September 30, 2020 and subsequently deferred 2020 installment dates to December 2020 or later;
- Deferred payments for PST, hotel tax, carbon tax, motor fuel tax and tobacco tax by six months;

- Established the BC Business COVID-19 Support Service to serve as a single point of contact for businesses throughout the province looking for information on resources available to them;
- Forgave BC Hydro bills between April and June for small businesses that had to close due to COVID-19 during those months, saving those businesses on average \$483.

Now we are bringing in more supports for businesses. British Columbia's businesses face a range of challenges. With more people out of work, there is less demand for products and services. Continued health restrictions mean most restaurants are unable to operate at full capacity. Many businesses face additional expenses. Small businesses in particular need focused support. For some in the hardest-hit sectors, the challenge simply is to survive.

The global economic outlook is likely to be uncertain for a considerable time and the pandemic has made governments everywhere more sensitive to potential disruptions in the global supply chain. In such a context, the diversified productive capacity of our provincial economy, from natural resources to advanced manufacturing, are a real strength. Our Recovery Plan builds on these strengths. It promotes BC products, invests in infrastructure to make rural and remote communities more accessible by road and air, improves broadband access for people living outside of major centres, and trains workers to fill high-demand jobs of the future.

Most of the jobs lost were in the private sector, and therefore, the jobs that return, or replace those that were lost, will be too.

We need to continue to build business confidence with a combination of effective public health measures and supports for BC businesses to encourage them to create jobs, while continuing to adjust to a post-COVID-19 economy, by:



FEDERAL SUPPORTS

PROVINCIAL ACTIONS build on federal supports available to BC families and businesses, including:

- The *Canada Emergency Response Benefit* (CERB) for workers who lost their jobs;
- Enhancements to federal benefit programs, including the *Canada Child Benefit* and the *GST Credit*;
- Pandemic pay for frontline workers that is cost-shared with the Province;
- The *Canada Emergency Wage Subsidy* (CEWS) to support businesses who retain their workers through the downturn;
- The *Canada Emergency Commercial Rent Assistance* (CECRA) Program to support the hardest-hit businesses and cost-shared with the Province;
- Significant liquidity supports targeted to small and medium-sized businesses;
- A new pan-Canadian sick leave program for workers; and
- Funding for critical services as part of the Safe Restart Agreement.

InBC: HELPING PROMISING COMPANIES SCALE UP, SUPPORTING START-UPS, KEEPING JOBS AND INVESTMENT IN OUR PROVINCE

Provincial funding has helped foster an exciting set of companies in BC. But too many find themselves unable to scale up successfully. Others are bought up by companies from outside BC. When this happens, it means British Columbians don't realize fair value for their investments.

That's why our government will be launching a \$500 million strategic investment fund — called InBC — to invest in small and medium-sized BC businesses to help them scale up, and to anchor talent, intellectual property, and good jobs in the province.

The fund will invest in high growth potential firms, and leverage investments from the private and public sectors, to help businesses scale up. It will be based on a “double bottom line” approach aiming to achieve both a commercial return on investment, as well as advancing important policies that make life better for British Columbians — such as creating jobs and economic growth, advancing reconciliation with Indigenous communities, promoting diversity and inclusion, and achieving CleanBC goals. Investments will also support business confidence and improve supply chains.

Investment decisions will be made by an independent Chief Investment Officer.

- Encouraging businesses to hire more workers by offering a 15% tax credit on eligible new payroll;
- Providing a temporary PST rebate on select machinery and equipment to make it easier for businesses to bet on themselves by making the kinds of investments that will allow them to grow and become more productive;
- Helping protect more than 200,000 jobs with a new \$300 million Small and Medium Sized Business Recovery Grant . It will directly support thousands of businesses in hard-hit industries that have a good chance to thrive in the long term. This grant includes an enhanced amount for tourism operators, and funding for business advisory services to help participating businesses establish a path forward;
- Deferring the scheduled increase to the carbon tax to April 1, 2021;
- Providing support to help businesses manufacture critical products that BC has experienced shortages of during the COVID-19 pandemic.

Further, there will be:

- New resources to support businesses who want to build their online presence, boost their e-commerce operations, or increase their digital marketing capacity;
- Grants to help BC agritech companies grow, and turn innovative ideas into jobs;
- New opportunities for food processing businesses by expanding the successful and innovative BC Food Hub Network with seven new locations;
- Further investments in the Connecting British Columbia Program to enhance connectivity along major routes and for rural communities.

Stronger Communities

The pandemic poses a massive challenge to communities across the province. We have faced such challenges together before, from wildfires to floods. Across BC, local governments have stepped up efforts to keep people safe and provide shelter and housing.

Some communities found creative ways to address the problems, from setting up COVID-19 education ambassadors to expanding services for the most vulnerable. Local governments and First Nations worked together to reopen the economy in culturally and regionally appropriate ways.

Our government has been there for local communities since the pandemic hit:

- Early on, we responded quickly to concerns from local governments by addressing cash-flow and revenue issues brought on by COVID-19 through deferred school tax remittance of over \$1 billion, and increased authority for local governments to borrow, interest-free, from their existing capital reserves;
- We worked quickly to help bring more communities online with funding through the COVID-19 Connectivity Response intake;
- We worked with BC Ferries to keep communities connected and people moving safely;
- We helped the public understand and adopt safe travel practices within BC, providing a lifeline to small tourism operators;
- We cracked down on the small number of people who put us all at risk by restricting US pleasure boat traffic and large parties.

While many other regions shut down construction sites during the early stages of pandemic, our government worked with the construction sector and WorkSafe BC keep worksites operating safely – keeping workers on the job and projects moving forward. Among other benefits, that has meant we continued to make progress on our ambitious 10-year housing program, one that will ultimately deliver 114,000 new affordable places for British Columbians to call home.

Instead of closing schools entirely, we kept buildings open to care for the children of frontline essential workers. Then, in June, BC became the only jurisdiction in Canada to safely welcome thousands of students to the classroom across the province. What we learned is helping guide us as we welcome most children back to school this fall. Getting students back in school is an important step in reopening BC's economy.

Now we will:

- Provide hundreds of millions of dollars in Safe Restart funding for local governments, in partnership with the federal government, to address local challenges made worse by COVID-19, and help them deliver the services people depend on, including new projects to address homelessness and improve community safety;
- Earmark over \$1 billion in provincial and federal investments to help keep people moving, whether by transit, TransLink or BC Ferries;
- Invest over \$45 million to ensure schools have what they need to keep kids and staff safe — from adding more custodial positions and hand-cleaning stations to buying masks and protective equipment and increasing capacity for remote learning – in addition to \$242 million in federal restart funding for schools;
- Invest \$19 million to support small communities to help them build and diversify their tourism infrastructure;
- Helping municipal-level governments get business growth going by working with them to speed up development application approvals;
- Further investments in the Connecting British Columbia program to bring highspeed internet to more communities including along major routes — ensuring more British Columbians can work and study from home;
- Build and improve infrastructure including roads, bridges and walkways; enhance regional ports; and invest in parks;
- Help reduce air pollution and tackle climate change through electrification — supporting the transition from fossil fuels to clean, hydro-electric power;
- Increase the resilience of our food supply by investing in new, local processing facilities and supporting new farmers with business coaching and access to capital for equipment and infrastructure;
- Support to hard-hit arts and cultural organizations to remain resilient through the pandemic, while crowd size restrictions remain in place.

TABLE 1: Summary of COVID-19 Economic Recovery Plan and Safe Restart Allocations

	Recovery for People	Recovery for Communities	Recovery for Businesses	Building Better Futures	TOTAL
Economic Recovery	\$469 M	\$375 M	\$405 M	\$250 M	\$1.5 B
Spending Measures	\$169 M	\$368 M	\$405 M	\$250 M	\$1.19 B
Jobs in Health Care	\$300 M				\$300 M
CRF Capital		\$7 M			\$7 M
Tax Measures			\$660 M¹		\$660 M
Safe Restart	\$242 M	\$1.62 B			\$1.86 B
Municipalities & Transit		\$1.62 B ²			\$1.62 B
Education	\$242 M ³				\$242 M
TOTAL	\$711 M	\$2.00 B	\$1.07 B	\$250 M	\$4.02 B

¹ \$660 M includes \$425 M in tax relief in 2020/21 and \$235 M for 2021/22

² Includes spending of \$810 M federal contribution

³ Includes spending \$242 M federal contribution

⁴ Numbers in this table have been rounded

CleanBC

The **CleanBC** Plan is our government's pathway to a cleaner, better future for our province. That pathway is more important now than ever as we continue building on the key initiatives already underway. The unprecedented challenges we face today — from the economic shock of a global pandemic to threat of a changing climate — also present opportunities. As a leader in clean energy, British Columbia is uniquely placed to seize these opportunities. Meeting our CleanBC targets for reducing greenhouse gas emissions is key to creating good jobs for all British Columbians through the recovery.

New CleanBC stimulus measures play a central part in our recovery package — measures that will reduce harmful emissions, help communities withstand climate impacts, restore critical watersheds and habitat, enhance local food security, and diversify our economy. These include:

- ▶ **CLEANER TRANSPORTATION OPTIONS** – reduce pollution with lower emission medium- and heavy-duty trucking and industrial transportation, and active transportation infrastructure
- ▶ **MORE COMFORTABLE, ENERGY EFFICIENT BUILDINGS** – support for innovative building materials and technologies, piloting a program for more accessible and affordable home energy efficiency upgrades
- ▶ **DIVERSIFY OUR ECONOMY** – support for innovation in clean energy technologies, recycled plastics manufacturing, mass timber, digital marketing and internet connectivity
- ▶ **PREPARING FOR A CHANGING CLIMATE** – jobs throughout BC restoring watersheds, protecting habitat, removing invasive species, enhancing BC Parks
- ▶ **LOCAL FOOD SECURITY** – farm innovation program and food hubs
- ▶ **WORKING WITH COMMUNITIES TO SUPPORT CLEANBC GOALS** – by encouraging Community Infrastructure Fund projects that reduce pollution and respond to climate risks. Working with communities to support CleanBC goals — by encouraging Community Infrastructure Fund projects that reduce pollution and respond to climate risks



Appendix: Critical Services and Financial Supports Summary

ECONOMIC RECOVERY in BC can only be achieved if people have their basic needs met, including support for the most vulnerable populations. This is why critical services and immediate financial relief were prioritized to ensure people could pay their rent, find housing and isolate if needed, and maintain childcare spaces so that people could re-enter the workforce as the province moved to safely restart. This section provides some highlights of significant relief measures implemented by government.

Financial Relief for Individuals and Families

One of the early initiatives implemented was the BC Emergency Benefit for Workers (estimated \$900 million) which complements the federal Canada Emergency Response Benefit (CERB). This measure provides a one-time, tax-free \$1,000 payment to British Columbians who lost their employment or self-employment income for reasons related to COVID-19 on or after March 1. Over 600,000 British Columbians to date have received the BCEBW.

The Province also provided the crisis supplement, a \$300 per month boost to income and disability assistance clients, including low-income seniors receiving the Seniors Supplement, from April through December. The Province has allocated \$685 million for the crisis supplement and other COVID-19 related income and disability assistance supports to ensure that those in greatest need do not encounter additional barriers while some service organizations closed or reduced service hours during the pandemic, and to help cover the increased costs of food and shelter. Over 200,000 people, including clients and their families, have benefited from the crisis supplement.

RENTAL RELIEF

The Province allocated \$149 million towards a new temporary rental supplement to support families and individuals with low-to-middle income households with reduced rental costs. The rental supplement provides up to \$500 per month for eligible households with dependents or \$300 per month for eligible households with no dependents, and was available from April through to August. Over 81,000 applications have been approved for the supplement to date. In addition, the Province committed up to \$79 million towards the Canada Emergency Commercial Rent Assistance Program to provide forgivable loans to small business tenants who experienced financial hardship during April through September.

TEMPORARY HOUSING AND MEALS

The Province has allocated \$158 million to provide temporary housing and meal supports for vulnerable populations. Spaces at hotels, motels and community centres are assisting a range of people, including people experiencing homelessness, to self-isolate and follow health orders as well as receive food and support services. In addition to funding for these supports, the Province has made capital investments (approximately \$111 million) to purchase hotels to help move people living in unsafe, dense encampments at Oppenheimer Park, Pandora Avenue and Topaz Park into safe spaces. Nearly 3,300 leased spaces were secured at sites throughout BC's health regions to enable safe physical distancing in homeless shelters and help people self-isolate, with close to 300 spaces in communities secured for people leaving violent or unstable situations.

BREAKING DOWN BARRIERS

We're breaking down barriers for people by making post-secondary education and skills training more accessible and affordable for everyone. We've invested **\$8 MILLION** into women-in-trades programs that will offer individualized employment readiness and job search services; financial supports, like tuition, childcare and transportation subsidies; and tools and safety gear, so these workers have what they need when they hit the job site.

OUR COMMUNITY BENEFIT

AGREEMENTS (CBAs) are creating good-paying jobs, better training and apprenticeships, and more trades opportunities for Indigenous people, women, youth and other groups who are traditionally underrepresented in skilled trades.

The tech sector is one of the fastest growing sectors in BC and our government is working to make sure women and other equity-seeking groups are more represented in it. **OUR TECH SCHOLARSHIPS FOR INDIGENOUS AND NON-INDIGENOUS WOMEN** are helping to advance the careers of women in tech and build a more diverse and inclusive economy that works for everyone.



CHILDCARE SUPPORTS

Affordable and quality childcare is a top priority and has been recognized as critical to strengthen and enable the work force and our economy. From April to August, the Province provided temporary emergency funding for childcare providers to ensure childcare spaces remain available for essential service workers and to provide financial relief and preserve spaces for parents during any temporary closures. This emergency funding helped to ensure that childcare providers remained viable and ready to support children and parents as the province re-opened.

OTHER ESSENTIAL SERVICES

Government has also invested approximately \$56 million to ensure that critical government services can be maintained during the pandemic. This includes funding to ensure continuity of services for adults with developmental disabilities receiving care from Community Living BC. It also includes supports for children and youth that access provincial programs including \$225 per month for eligible BC families with children with special needs to Sept 30, 2020. Government has also extended existing caregiver arrangements for youth aging out of foster care as well as an extension to the duration of Agreements with Young Adults program beyond the maximum 48 months. Other essential service supports include funding to facilitate virtual court proceedings and accelerate the resolution of family law matters, supports for victim services, and COVID-19 related public awareness campaigns to communicate health and safety information.



Detailed List of Economic Recovery Spending Measures

ECONOMIC RECOVERY CATEGORY AND MEASURES	ALLOCATION (\$M)
Recovery for People – Jobs and Training	416.663
BC Parks and Conservation Officer Service Youth Employment	1.800
Community Job Creation Projects	25.000
Early Retirement Bridging Program	10.000
Forest Employment Program	12.000
Jobs in Healthcare	299.900
Indigenous Community Skills Training and Education	15.000
Micro-Credentialing	2.000
Employment Supports for People with Disabilities and Facing Barriers	20.000
Recreation Sites and Trails Youth Crew Program Expansion	0.428
Short-Term Skills Training for In-demand Jobs	20.000
Targeted Training for Health and Human Services	10.535
Recovery for People – Supports	51.835
Anti-Racism Restart and Recovery	1.900
K-12 Return to School Funding	45.600
Mental Health Support for the Workforce	2.000
Youth Suicide Prevention and Life Promotion	2.335
Recovery for Businesses	404.950
Restoring Confidence App	2.000
Destination BC Tourism Recovery Strategy	5.000
Digital Marketing	14.000
Small and Medium Sized Business Recovery Grant	300.000
Technology and Innovation – Digitization of the Industrial Lands Inventory	0.700
Tourism Dependent Communities	19.400
Targeted Regional Tourism Development Initiatives	13.600
Tourism Task Force	50.250
Recovery for Communities – Community Infrastructure	302.695
Active Transportation – Connections, Road Widening and Maintenance	16.675
Air Access Grants	15.750
COVID-19 Community Economic Recovery Infrastructure Program	100.000
Highways Climate Change Adaptation	20.700
Huu-ay-aht First Nations – Anacla/Bamfield Road	25.700

Investing in Canada Infrastructure Program COVID-19 Resilience Infrastructure Program	4.600
Regional Port Enhancement Program	40.000
Remote and Rural Community Access Program	25.650
Species and Ecosystems Conservation and Restoration	10.215
Tulsequah Chief Mine Remediation	1.575
Watershed Initiative and Wetlands Projects (Watersheds BC)	27.000
Clean Coast, Clean Waters Initiative Fund	14.830
Recovery for Communities – Social Supports	67.000
Arts and Culture Resilience Plan	21.000
Childcare Spaces and Safety Grants	46.000
Building for a Better Future – Food Security and Farming	25.040
Agritech	3.000
Expanding BC's Food Hub	5.600
Increasing BC Food Production and Processing	1.950
Invasive Species Detection and Removal	12.000
Small Farm Business Acceleration Program and Provincial Replant Program	0.890
On-Farm Innovation Top-Up Program	1.600
Building for a Better Future – Self-Resilience	223.250
Building Innovation Fund Recapitalization	8.000
Centre for Innovation and Clean Energy	35.000
Commercial Vehicle Innovation Challenge	30.000
Convert Underperforming Forests	5.000
Go Electric Specialty Use Vehicle Incentive Program	31.000
Mass Timber Demonstration Projects	3.000
Property Assessed Clean Energy (PACE) Roadmap and Pilot Program	2.000
Recycled Plastics Manufacturing Stimulus	5.000
Technology and Innovation – Connectivity	90.000
Value Added Manufacturing and Supply Chains	14.250
OPERATING TOTAL (VOTE 52)	1,491.433
Capital Measures – Community Infrastructure	7.400
BC Parks Stimulus Proposal – Construction Projects	5.000
Remote and Rural Road Access	2.400
TOTAL ECONOMIC RECOVERY SPENDING	1,498.833

TABLE 2: Summary of Economic Recovery Tax Measures

ECONOMIC RECOVERY TAX MEASURES	
	TOTAL
Increased Employment Incentive	\$190 M
PST Rebate on Select Machinery and Equipment	\$470 M
TOTAL	\$660 M

TABLE 3: Summary of COVID-19 Relief, Recovery and Restart Measures

	PROVINCIAL	FEDERAL	TOTAL
Critical Services and Financial Supports	\$3.5 B		\$3.5 B
Economic Recovery	\$1.5 B		\$1.5 B
Spending Measures	\$1.19 B		\$1.19 B
Jobs in Health Care	\$300 M		\$300 M
CRF Capital	\$7 M		\$7 M
New Tax Measures	\$660 M¹		\$660 M
Safe Restart	\$810 M	\$1.05 B	1.86 B
Municipalities and Transit	\$810 M	\$810 M	\$1.62 B
Education ²		\$242 M	\$242 M
Other Relief Measures	\$1.8 B	\$319 M	\$2.12 B
Other Spending Measures	\$772 M	\$319 ³ M	\$1.09 B
Foregone Revenue and Tax Relief	\$1.03 B		\$1.03 B
TOTAL	\$8.27 B	\$1.37 B	\$9.64 B

¹ \$660 M includes \$425 M in tax relief in 2020/21 and \$235 M for 2021/22

² Note: Provincial funding of \$45.6 M for education restart included in the Economic Recovery spending measures

³ Federal contribution for Pandemic Pay

Note: this highlighted section is being highlighted in the Economic Recovery Plan which includes \$4.02 B in federal and provincial economic recovery and restart supports (\$2.97 B provincial)



StrongerBC
for everyone



BRITISH
COLUMBIA