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Advocacy Bulletin: Provincial Budget Round-up

by Prospectus Associates

The federal government and most provincial governments unveiled their 2023-24 budgets during March, and below you will find economic highlights of each Western Canadian government's budget which may be useful to the LBM sector.

Manitoba

The Manitoba budget is the last to be delivered before this fall's general election, where Premier Heather Stefanson will face-off against Wab Kinew of the New Democratic Party. The budget projects a deficit of \$363 million. The themes of this budget are affordability measures, safer streets, healthcare, strengthening communities, and the economically-driven priority entitled "Opportunities Ahead." Key items include:

- Raising the Provincial Basic Personal Amount to \$15,000
- Raising income tax brackets in 2024 and cutting the payroll tax (the top personal tax bracket would be \$100,000.)
- Increasing investments in loans and guarantees by \$27 million to incent private-sector investment in enterprises that can demonstrate significant, sustainable growth and job creation. It also includes \$15 million for the Community Economic Development Fund and \$20 million to support economic development and investment attraction.
- Doubling the funds dedicated to venture capital to \$100 million and eliminates payroll taxes for an additional 150 employers. The payroll tax rate will be reduced for the first time in 25 years in 2024, if the economy continues to perform as it has this year.
- \$40 million to develop infrastructure to allow CentrePort South to expand and will invest \$147.6 million over two years to improve the Hudson Bay rail line to the Port of Churchill.

Saskatchewan



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On the heels of impressive population growth and economic performance, the Saskatchewan budget increased spending in a host of areas while achieving a \$1 billion in operating debt reduction, and no new tax increases. Priority themes are entitled, "Investing in People, Investing in the Economy, and Investing in Capital." Highlights include:

- 38M in record level funding for agriculture research and innovation
- \$297.9M in record Municipal Revenue Sharing, part of \$503M of direct provincial support to municipalities
- \$249.1M of targeted funding for First Nations and Métis people and organizations, which includes funding for economic initiatives and partnerships
- \$1.4M to open a trade office in Germany as part of Saskatchewan's international trade and investment strategy which includes trade offices in Mexico, United Kingdom, United Arab Emirates, India, Singapore, Vietnam, China and Japan.
- \$3.7B in capital investment, for hospitals, schools, highways, and many needed municipal and Crown projects
- \$337.6M into health care capital, including Prince Albert Victoria Hospital, Weyburn General Hospital, and long-term care facilities in Grenfell and La Ronge. Since 2008 \$2.4B has been invested, including new hospitals and long-term care facilities
- \$152.3M for education capital to support new projects and to support ongoing planning and construction including five new schools and three major renovation projects. Since 2008-09, approximately \$2.4B has been committed to build 60 new schools and 30 major renovation projects.
- \$442.9M into transportation capital

Alberta

Premier Danielle Smith will lead the United Conservative Party (UCP) into a general election in May, squaring off against former premier and current NDP leader Rachel Notley. This budget forecasts Alberta government spending will increase to nearly \$70 billion and a surplus of \$2.4 billion. The themes articulated are healthcare, supporting individuals, safe communities, strengthening healthcare, boosting the "Alberta Advantage" as well as fiscal prudence.



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Budget 2023 builds on the Alberta at Work initiatives that assists Albertans in participating in the labour market. The plan also includes investments in key areas such as health care, non-trade construction, energy, technology, business, and the aviation sector.

- \$369 million over 3 years for Alberta's Broadband Strategy, supporting businesses in remote areas.
- \$54 million more per year for the Alberta Petrochemicals Incentive Program starting in 2025-26 to support Air Products' clean hydrogen facility.
- \$23 million over 3 years for the Aboriginal Business Investment Fund to support community-owned, Indigenous business initiatives - a 50% funding increase.
- \$24.5 million in 2023-24 for the Alberta Technology and Innovation Strategy.
- \$9 million over 3 years for the Northern and Regional Economic Development program to support Alberta municipalities, Indigenous communities and non-profit organizations with projects that promote regional economic growth and diversification.
- \$176 million in 2025-26 for the Alberta at Work initiative to continue to help address labour shortages in key economic sectors.

British Columbia

The BC 2023 budget has projected a \$4.2 billion deficit that is expected to decrease annually to a level of \$3 billion in 2025-26. As the province's economy is likely to slow while prices and interest rates have steadily risen, the 2023 Budget has accounted for potential lower-than-expected revenues through an included forecast allowance of \$700 million and an excess of \$3 billion reserved for contingencies. Priority themes include health and mental health care, helping with costs, affordable housing, safe communities, skills for future jobs, and sustainable development.

Premier David Eby took over last year upon the retirement of former premier John Horgan. The next election is projected for 2024, though there is speculation that the Premier may wish to meet voters earlier.



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- Budget 2023 focuses on ways to manage and care for the province's natural resources, including old-growth forests, to support economic prosperity in a way that aligns with environmental, social and cultural objectives.
- New funding will also help communities develop safe, accessible and convenient modes of active transportation, and support them to adapt and prepare for potential climate-related emergencies.
- This year's budget supports the Future Ready plan to make post-secondary education and skills training more affordable and accessible, and to respond to the biggest challenge heard from businesses – the need for people.

Future Ready investments will add thousands of training seats and offer a new grant for short-term training programs to help people get trained and working in high-demand fields. The plan also includes new funding to assist small and medium-sized businesses in finding and implementing technology and practical solutions to current labour market challenges and prepare for a changing global economy.