
FORM 18-K/A

For Foreign Governments and Political Subdivisions Thereof

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**AMENDMENT NO. 4 TO
ANNUAL REPORT
of
PROVINCE OF BRITISH COLUMBIA
(Canada)
(Name of Registrant)**

Date of end of fiscal year to which the Annual Report relates: March 31, 2022

SECURITIES REGISTERED*
(As of the close of the fiscal year)

Title of Issue	Amounts as to Which Registration is Effective	Names of Exchanges on Which Registered
N/A	N/A	N/A

***Names and addresses of persons authorized to receive notices and
communications from the Securities and Exchange Commission:***

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Ministry of Finance
Provincial Treasury
Debt Management Branch
620 Superior Street
P.O. Box 9423, Stn Prov Govt
Victoria, British Columbia
Canada V8W 9V1

*The Registrant is filing this amendment to its annual report on a voluntary basis.

PROVINCE OF BRITISH COLUMBIA

The undersigned registrant hereby amends the following items, financial statements, exhibits or other portions of its Annual Report (the "Annual Report") for the fiscal year ended March 31, 2022 on Form 18-K as set forth below:

The following additional exhibits are added to the Annual Report:

[Exhibit 99.10](#) [Public Accounts, Ministry of Finance, Office of the Comptroller General \(For the Fiscal Year Ended March 31, 2023\)](#)

[Exhibit 99.11](#) [2023 British Columbia Financial and Economic Review \(83rd Edition, April 2022 – March 2023\)](#)

[Exhibit 99.12](#) [First Quarterly Report, September 2023, Fiscal Plan Update 2023/24 – 2025/26, 2023/24 Economic Outlook and Financial Forecast & Three Month Results April – June 2023](#)

SIGNATURE

Pursuant to the requirements of the *Securities Exchange Act of 1934*, the registrant has duly caused this amendment to be signed on its behalf by the undersigned, thereunto duly authorized, at Victoria, British Columbia, Canada, on the 28th day of September, 2023.

PROVINCE OF BRITISH COLUMBIA
(Name of registrant)

By: /s/ Sam Myers

Name: Sam Myers

Title: Executive Director,
Debt Management Branch
Provincial Treasury
Ministry of Finance

EXHIBIT INDEX

- [Exhibit 99.10](#) [Public Accounts, Ministry of Finance, Office of the Comptroller General \(For the Fiscal Year Ended March 31, 2023\)](#)
- [Exhibit 99.11](#) [2023 British Columbia Financial and Economic Review \(83rd Edition, April 2022 – March 2023\)](#)
- [Exhibit 99.12](#) [First Quarterly Report, September 2023, Fiscal Plan Update 2023/24 – 2025/26, 2023/24 Economic Outlook and Financial Forecast & Three Month Results April – June 2023](#)

OFFICE OF THE COMPTROLLER GENERAL

**PUBLIC ACCOUNTS
2022/23**



Public Accounts

Ministry of Finance
Office of the
Comptroller General

For the Fiscal Year Ended
March 31, 2023



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Office of the Comptroller General

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*August 29, 2023
Victoria, British Columbia*

Lieutenant Governor of the Province of British Columbia

MAY IT PLEASE YOUR HONOUR:

The undersigned has the honour to present the Public Accounts of the Government of the Province of British Columbia for the fiscal year ended March 31, 2023.

KATRINE CONROY
Minister of Finance

*Ministry of Finance
Victoria, British Columbia*

*Honourable Katrine Conroy
Minister of Finance*

I have the honour to submit herewith the Public Accounts of the Government of the Province of British Columbia for the fiscal year ended March 31, 2023.

Respectfully submitted,

CARL FISCHER
Comptroller General

PROVINCE OF BRITISH COLUMBIA
PUBLIC ACCOUNTS 2022/23

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PROVINCE OF BRITISH COLUMBIA
PUBLIC ACCOUNTS 2022/23

British Columbia's Public Accounts

The Public Accounts include the Summary Financial Statements of the provincial Government Reporting Entity which includes the financial results of all ministries and Crown agencies presented on a consolidated basis. The supporting notes and schedules define the accounting policies followed in preparing the province's financial statements and form an integral part of the overall financial picture of the province's financial activities in the fiscal year ending March 31, 2023.

Responsibility for the preparation of the government's financial statements rests with the Office of the Comptroller General. The accounting standards followed by the province are established in section 23.1 of the *Budget Transparency and Accountability Act*. Although accounting policies are based on Public Sector Accounting Standards (PSAS), the application of standards to specific programs and transactions is the responsibility of the preparer who must use professional judgement to determine the treatment that is most representative of the underlying economic substance and best serves the information requirements of the users of government financial statements. To ensure due diligence in the application of accounting policies, decisions are based on comprehensive understanding of the substance of transactions, reference to existing and emerging accounting standards, and consultation with standard setters, other jurisdictions and the audit community.

In September 1999 the final report of the Budget Process Review Panel established clear principles for financial reporting based on user needs and led to the introduction of the *Budget Transparency and Accountability Act* which forms the basis of British Columbia's legislated reporting framework. British Columbia is at the forefront of financial accountability by providing all financial reporting on a full accrual basis with direct comparability between budget and actual results. Conflicts can arise between the legislated requirement for comparable and consistent financial reporting and the national and international standards that guide accounting or the interpretation of those standards. Our obligation is to ensure financial reporting meets the accountability requirements of the public and stakeholders, within the framework established in legislation.

Despite the growing complexity of the reporting process, British Columbia remains committed to timely delivery of the Public Accounts each year and continues to focus on consistency in budgeting and financial reporting based on the comparability of its Estimates and Public Accounts, and the focus on "one bottom line"; that is, the Summary Financial Statements of the province.

In the 2022/23 fiscal year, government continued to provide emergency support in response to the COVID-19 pandemic, which included pandemic response and economic recovery spending of \$2,392 million. As in previous years, additional financial information specific to the pandemic is included on page 12. We continue to maintain the highest standards of transparency and accountability to provide comprehensive accounting of this extraordinary event spanning several fiscal years.

I would like to thank the Select Standing Committee on Public Accounts of the Legislative Assembly, government ministries, Crown corporations and agencies, and the Auditor General and his staff for their cooperation and support in preparing the Public Accounts.

Comments or questions regarding the Public Accounts document are encouraged and much appreciated. Please direct your comments or questions to me by mail at PO Box 9413 STN PROV GOVT, Victoria BC V8W 9V1; e-mail at: Carl.Fischer@gov.bc.ca; by telephone at 250-387-6692; or by fax at 250-356-2001.

Further information on the government's financial performance is also provided through the Consolidated Revenue Fund Extracts (available on the Internet – website <http://gov.bc.ca/publicaccounts>). These extracts compare actual to planned spending of ministries on an appropriation basis, fulfilling ministries accountability back to the Legislative Assembly.

CARL FISCHER
Comptroller General

PROVINCE OF BRITISH COLUMBIA
PUBLIC ACCOUNTS 2022/23

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PROVINCE OF BRITISH COLUMBIA
PUBLIC ACCOUNTS 2022/23

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PROVINCE OF BRITISH COLUMBIA
PUBLIC ACCOUNTS 2022/23

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Public Accounts Content

Financial Statement Discussion and Analysis (Unaudited)—this section provides a written commentary on the Summary Financial Statements plus additional information on the financial performance of the provincial government.

Consolidated Summary Financial Statements—these audited statements have been prepared to disclose the financial impact of the government’s activities. They aggregate the Consolidated Revenue Fund (CRF), the taxpayer-supported Crown corporations and agencies (government organizations), the self-supported Crown corporations and agencies (government business enterprises) and the school districts, universities, colleges, institutes and health organizations (SUCH) sector.

Supplementary Information (Unaudited)—this section provides supplementary schedules containing detailed information on the results of those Crown corporations and agencies that are part of the government reporting entity and the impact of the SUCH sector on the province’s financial statements.

Consolidated Revenue Fund Extracts (Unaudited)— the CRF reflects the core operations of the province as represented by the operations of government ministries and legislative offices. Its statements are included in an abridged form. The CRF Extracts include statements and schedules of the financial activities of the CRF, as required by statute.

Provincial Debt Summary—this section presents unaudited schedules and unaudited statements that provide further details on provincial debt and reconcile the Summary Financial Statements debt to the province’s total debt. Also included are the audited Summary of Provincial Debt, Key Indicators of Provincial Debt and Summary of Performance Measures.

This publication is available on the Internet at: <http://gov.bc.ca/finance>

Additional Information Available (Unaudited)

Consolidated Revenue Fund Supplementary Schedules —this section contains schedules that provide details of financial activities of the CRF, including details of expenses by ministerial appropriations, an analysis of statutory appropriations, Special Accounts and Special Fund balances and operating statements, and financing transactions.

Consolidated Revenue Fund Detailed Schedules of Payments—this section contains detailed schedules of salaries, wages, travel expenses, grants and other payments.

Financial Statements of Government Organizations and Enterprises—this section contains links to the audited financial statements of those Crown corporations, agencies and SUCH sector entities that are included in the government reporting entity.

This additional information is available only on the Internet at: <http://gov.bc.ca/finance>

Legislative Compliance and Accounting Policy Report

The focus of the province's financial reporting is the Summary Financial Statements, which consolidate the operating and financial results of the province's Crown corporations, agencies, school districts, universities, colleges, institutes and health organizations with the Consolidated Revenue Fund. These are general-purpose statements designed to meet, to the extent possible, the information needs of a variety of users.

The Public Accounts are prepared in accordance with the *Financial Administration Act* and the *Budget Transparency and Accountability Act* (BTAA).

The BTAA was amended in 2001 with the passing of Bill 5. Under section 20 of that Bill, the government has mandated that "all accounting policies and practices applicable to documents required to be made public under this Act for the government reporting entity must conform to generally accepted accounting principles."

For senior governments, generally accepted accounting principles (GAAP) is generally considered to be the recommendations and guidelines of the Canadian Public Sector Accounting Board.

Section 4.1 of the BTAA established an Accounting Policy Advisory Committee (APAC) to advise Treasury Board on the implementation of GAAP for the government reporting entity (GRE). With the government's transition to full GAAP for the 2004/05 year, the role of APAC changed to include the provision of advice on evolving developments in accounting standards by the accounting profession, as well as emerging issues within government.

Financial Statement Discussion and Analysis Report

Highlights

The highlights section provides a summary of the key events affecting the financial statements based on information taken from the Summary Financial Statements and Provincial Debt Summary included in the Public Accounts. The budget figures are from pages 171, 177, 178, 180 and 181 of the *Budget and Fiscal Plan 2022/23–2024/25*.

Budget and Actual Results 2022/23

	In Millions			Variance		
	2022/23	2022/23	2022/23	2021/22	2022/23	2022/23
	Budget	Updated Forecast	Actual	Actual	Actual to Budget	vs 2021/22
	\$	\$	\$	\$	\$	\$
Revenue	68,552	82,700	81,536	72,392	12,984	9,144
Expense	(73,013)	(79,108)	(80,832)	(71,127)	(7,819)	(9,705)
Surplus (deficit) before forecast allowance	(4,461)	3,592	704	1,265	5,165	(561)
Forecast allowance	(1,000)				1,000	
Surplus (deficit) for the year	(5,461)	3,592	704	1,265	6,165	(561)
Capital spending:						
Taxpayer-supported capital spending	9,279	8,117	6,755	6,020	(2,524)	735
Self-supported capital spending	4,374	4,055	4,165	3,652	(209)	513
Total capital spending	13,653	12,172	10,920	9,672	(2,733)	1,248
Provincial debt:						
Taxpayer-supported	73,475	63,701	59,934	62,341	(13,541)	(2,407)
Self-supported	30,956	29,788	29,492	28,325	(1,464)	1,167
Forecast allowance	1,000				(1,000)	
Total provincial debt	105,431	93,489	89,426	90,666	(16,005)	(1,240)
Taxpayer-supported debt to GDP ratio	20.0%	16.4%	15.4%	17.9%	(4.6)	(2.5)

Summary Accounts Surplus (Deficit)

The province ended the year with a surplus of \$704 million, which was an improvement of \$6,165 million over the deficit forecast in the *Budget and Fiscal Plan 2022/23–2024/25*. The 2022/23 surplus of \$704 million was \$561 million less than the surplus of \$1,265 million in fiscal year 2021/22.

Revenue increased by \$9,144 million over fiscal year 2021/22 and was \$12,984 million higher than budget. The annual increase in revenue in the current year was mainly due to increases in taxation revenue, natural resources, and contributions from the federal government.

Expense increased by \$9,705 million over fiscal year 2021/22 and was higher than budget by \$7,819 million. The increases in spending in the current year were mainly in the health, natural resources and economic development, social services, general government, and other sectors. Additional spending over budget was authorized through supplementary estimates and various statutory appropriations.

Financial Statement Discussion and Analysis Report

Capital Spending

Taxpayer-supported infrastructure spending on hospitals, schools, post-secondary facilities, transit, and roads totalled \$6,755 million in 2022/23, \$2,524 million lower than budget mainly due to project scheduling changes. This spending has been deferred to future years.

Self-supported infrastructure spending on electrical generation, transmission and distribution projects and other capital assets totalled \$4,165 million in 2022/23. Self-supported capital spending was \$209 million lower than budget.

Provincial Debt

When calculating total provincial debt, the province adds to its financial statement debt all debt guarantees and the debt directly incurred by self-supported Crown corporations, reduced by sinking fund assets and unrealized foreign exchange adjustments of hedged foreign denominated debt translated to March 31, 2023 exchange rates. This balance is referred to as the total provincial debt.

Taxpayer-supported provincial debt decreased by \$2,407 million in 2022/23 due to improved operating results over the fiscal year resulting in decreased borrowing. Self-supported provincial debt increased by \$1,167 million due to an increase in capital infrastructure related to power projects. Total provincial debt decreased by \$1,240 million compared to the budgeted increase of \$14,765 million. The key measure of taxpayer-supported debt to GDP ended the year at 15.4%, which is lower than the forecasted 20.0% in the budget.

COVID-19 Pandemic Spending and Related Measures

This section provides an overview of spending through the Province's pandemic response and economic recovery initiatives during the current year. This spending was authorized by voted appropriations.

	In Millions		
	Vote 47 Pandemic and Recovery	Ministry Votes	Total Spend
	\$	\$	\$
Health Related COVID-19 Management	780	778	1,558
Supports for Vulnerable Populations	135	22	157
Tourism Initiative Envelope	94	1	95
Other Recovery Initiatives	481	101	582
Total Pandemic Response and Recovery Initiatives Spending	1,490	902	2,392

Financial Statement Discussion and Analysis Report

Discussion and Analysis

The detailed analysis section provides an overview of significant trends relating to the Statement of Operations, Statement of Financial Position and Provincial Debt.

Revenue Analysis

Revenue analysis helps users understand the government's finances in terms of its revenue sources and allows them to evaluate the revenue producing capacity of the government.

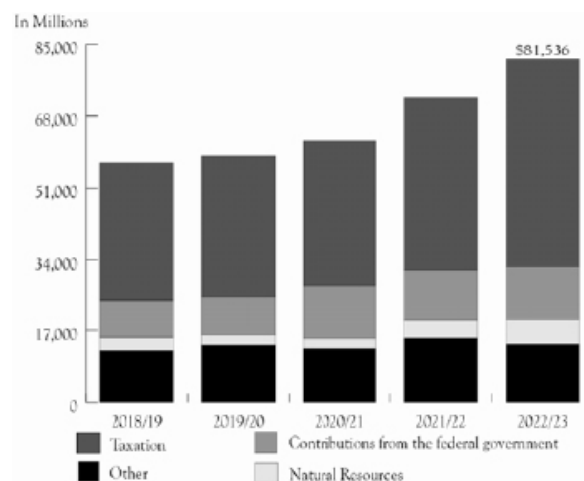
Revenue by Source

Revenue by source provides an outline of the primary sources of provincial revenue and how results change between those sources over time. Revenues are reported by separate components of taxation, contributions from the federal government, natural resources and other sources, which include fees and licences, contributions from self-supported Crown corporations, and investment income.

	In Millions				
	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Actual
	\$	\$	\$	\$	\$
Taxation	32,715	33,266	34,166	40,717	49,025
Contributions from federal government	9,052	9,535	12,894	11,980	12,526
Fees and licences	5,592	5,572	4,329	4,584	4,928
Miscellaneous	3,413	3,837	3,136	3,910	4,445
Net earnings of self-supported Crown corporations and agencies	2,005	2,919	3,964	5,424	3,098
Natural resources	3,108	2,268	2,403	4,471	6,198
Investment income	1,243	1,263	1,264	1,306	1,316
Total revenue	57,128	58,660	62,156	72,392	81,536

Provincial revenues increased by \$9,144 million in 2022/23. The improvement in provincial revenue was primarily due to increases in taxation revenue of \$8,308 million, natural resources revenue of \$1,727 million, contributions from the federal government of \$546 million, and other revenue of \$889 million. Increases in these significant sources of revenue were offset by a decrease in net earnings from self-supported Crown corporations of \$2,326 million.

2018/19 to 2022/23



Financial Statement Discussion and Analysis Report

In 2022/23, taxation revenue increased by \$8,308 million (20.4%). Personal and corporate income tax revenue increased by \$7,667 million (40.9%), reflecting a stronger income and tax base. Provincial sales tax revenue increased \$1,087 million (12.5%). Other taxation revenues increased by \$588 million, mainly from increases in property tax, employer health tax and carbon tax. Property transfer tax revenue decreased by \$1,034 million (31.1%) due to a lower number of houses sold.

The net earnings of self-supported Crown corporations and agencies were \$2,326 million lower than 2021/22 mainly from decreased earnings of \$2,413 million in ICBC.

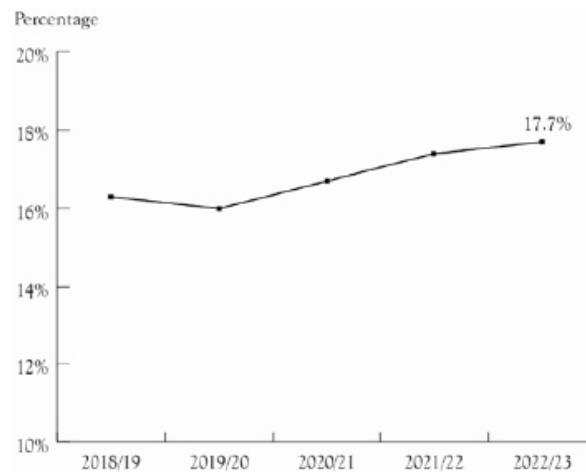
Natural resource revenues were \$1,727 million higher than 2021/22, reflecting higher natural gas, coal, petroleum and electricity prices.

Own-source Revenue to GDP

The ratio of own-source revenue to GDP represents the amount of revenue the provincial government is taking from the provincial economy in the form of taxation, natural resource revenue, earnings of self-supported Crown corporations and user fees and licences (own-source revenue is all revenue except for federal transfers).

Own-source revenue to GDP has remained stable over the past five years, ending the year at 17.7%.

2018/19 to 2022/23

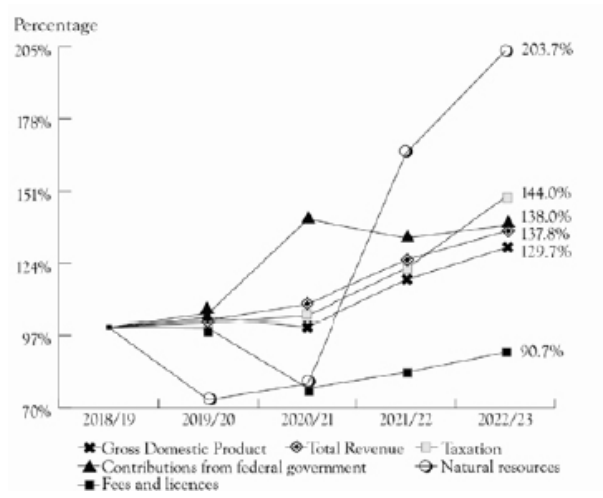


Percentage Change in Revenue

Trend analysis of revenue provides users with information about significant changes in revenue over time and between sources. This enables users to evaluate past performance and assess potential implications for the future.

Over the five years since 2018/19, total revenue has increased in relation with the increase in GDP. Taxation revenue has continued to exceed the growth in GDP, and natural resource revenue has increased over prior years. Contributions from the federal government increased in the year due to extreme weather event support funding.

2018/19 to 2022/23



Financial Statement Discussion and Analysis Report

Natural Resource Revenue

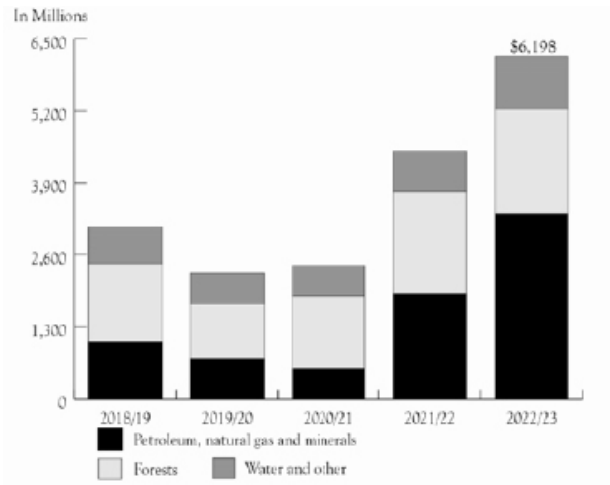
The chart of natural resource revenue by source explains past trends of natural resource revenue in total and by major category.

Petroleum, natural gas and mineral revenues increased by \$1,508 million from 2021/22. These categories of natural resource revenue account for 54.1% of natural resource revenue compared to 41.3% in 2021/22.

Water and other resource revenues increased by \$225 million in the year. They comprise 15.4% of provincial natural resource revenue.

Forestry revenue decreased by \$6 million in 2022/23. The proportion of natural resource revenue derived from forestry decreased to 30.4% in 2022/23 from 42.3% in 2021/22.

2018/19 to 2022/23

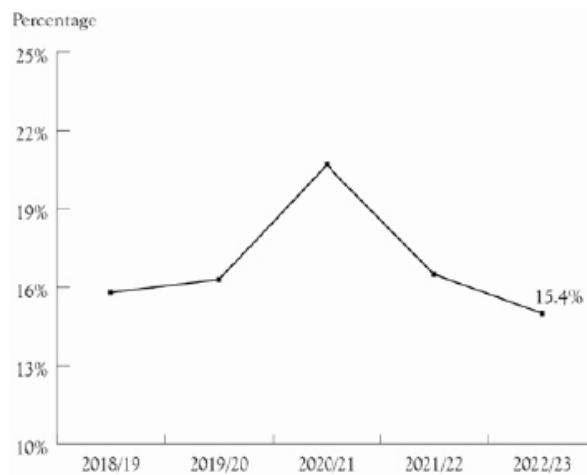


Government-to-Government Transfers to Total Revenue

The ratio of government-to-government transfers to total revenue is an indicator of how dependent the province is on transfers from the federal government. An increasing trend shows more reliance and a decreasing trend shows less reliance.

Federal transfers increased in 2022/23 by \$546 million. The ratio of federal contributions to total revenue decreased to 15.4% due to total revenue increasing \$9,144 million over the prior year.

2018/19 to 2022/23



Financial Statement Discussion and Analysis Report

Expense Analysis

The following analysis helps users to understand the impact of the government's spending on the economy, the government's allocation and use of resources, and the cost of government programs.

Expense by Function

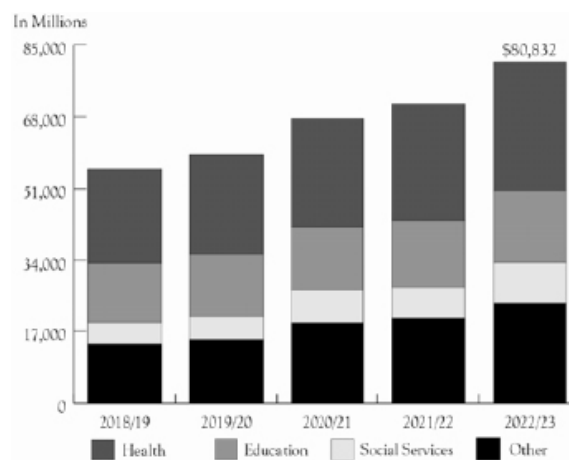
Expense by function provides a summary of the major areas of government spending, and changes in spending over time. Functions, which indicate the purpose of expenditures, are defined by Statistics Canada's Financial Management System of Government Statistics. The province uses the following functions: health, education, social services, natural resources and economic development, interest, other, transportation, general government, and protection of persons and property. The health, education and social services functions account for approximately three quarters of the province's total operating costs.

	In Millions				
	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Actual
	\$	\$	\$	\$	\$
Health	22,159	23,456	25,613	27,591	30,322
Education	14,094	14,740	14,948	15,801	16,991
Social services	5,343	5,887	7,789	7,268	9,652
Other	1,831	2,524	2,862	3,082	5,736
Natural resources and economic development	3,825	3,779	4,191	5,213	6,284
Interest	2,684	2,727	2,722	2,742	2,719
Protection of persons and property	2,004	2,126	2,258	2,937	3,483
Transportation	2,021	2,126	3,362	4,453	3,319
General government	1,673	1,657	3,919	2,040	2,326
Total expense	55,634	59,022	67,664	71,127	80,832

Government spending on programs and services increased by \$9,705 million in 2022/23.

The province increased spending on the health sector by \$2,731 million (9.9%), the other sector by \$2,654 million (86.1%), the social services sector by \$2,384 million (32.8%), the education sector by \$1,190 million (7.5%), the natural resources sector by \$1,071 million (20.5%), the protection sector by \$546 million (18.6%), and the general government sector by \$286 million (14.0%). Spending in the transportation sector decreased by \$1,134 million (25.5%) over 2021/22. Expenses of the year included \$2,392 million in pandemic response and recovery program costs as detailed on page 12.

2018/19 to 2022/23



Financial Statement Discussion and Analysis Report

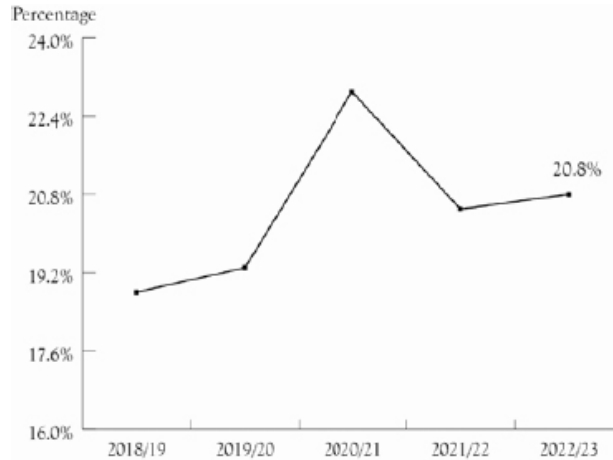
In 2022/23, provincial operating expenses were \$80,832 million, a \$9,705 million (13.6%) increase from 2021/22. Program spending has increased by \$25,198 million (45.3%) since 2018/19. This is compared to increases in GDP of 31.8% over the same period.

Expense to GDP

The ratio of expense to GDP represents the amount of government spending in relation to the overall provincial economy.

Government spending as a percentage of GDP increased from 20.5% to 20.8% in 2022/23, reflecting increased spending in 2022/23 on key priority initiatives.

2018/19 to 2022/23



Financial Statement Discussion and Analysis Report

Changes in Actual Results from 2021/22 to 2022/23

	In Millions		
	Revenue	Expense	Surplus
	\$	\$	\$
2021/22 Surplus	72,392	71,127	1,265
Increase in taxation revenue	8,308		8,308
Increase in natural resources revenue	1,727		1,727
Increase in other revenues	889		889
Increase in contributions from the federal government	546		546
Decrease in net earnings of self-supported Crown corporations and agencies	(2,326)		(2,326)
Increase in other program spending		3,177	(3,177)
Increase in health spending		2,731	(2,731)
Increase in social services spending		2,384	(2,384)
Increase in education spending		1,190	(1,190)
Increase in natural resource spending		1,071	(1,071)
Increase in general government spending		286	(286)
Decrease in transportation spending		(1,134)	1,134
Subtotal of changes in actual results	<u>9,144</u>	<u>9,705</u>	<u>(561)</u>
	<u>81,536</u>	<u>80,832</u>	
2022/23 Surplus			<u>704</u>
2021/22 Accumulated Surplus before Remeasurement Gains and Losses			<u>2,201</u>
2022/23 Accumulated Surplus before Remeasurement Gains and Losses			<u>2,905</u>
Effect of remeasurement gains and (losses)			<u>(202)</u>
2022/23 Accumulated Surplus			<u>2,703</u>

The year over year increase in total revenue of \$9,144 million, offset by the increase in total expense of \$9,705 million, resulted in a surplus that was \$561 million lower than the 2021/22 surplus. Accumulated surplus, including remeasurement gains and losses, increased from \$2,607 million in 2021/22 to \$2,703 million at the end of 2022/23.

Financial Statement Discussion and Analysis Report

Changes from 2022/23 Budget

	In Millions			
	Revenue	Expense	Forecast Allowance	Surplus (Deficit)
	\$	\$	\$	\$
(Deficit) per 2022/23 Budget	68,552	73,013	(1,000)	(5,461)
Increased taxation revenue	8,955			8,955
Increased natural resources revenue	2,811			2,811
Increased contributions from the federal government	1,186			1,186
Increased miscellaneous revenue	638			638
Increased other revenues	60			60
Decreased net earnings of self-supported Crown corporations and agencies	(666)			(666)
Increased health spending		2,637		(2,637)
Increased natural resources and economic development spending		2,536		(2,536)
Increased social services spending		1,736		(1,736)
Increased protection spending		1,004		(1,004)
Increased transportation spending		865		(865)
Increased general government spending		678		(678)
Decreased other spending		(1,637)		1,637
Forecast allowance			1,000	1,000
Subtotal of changes in actual results compared to budget	12,984	7,819	1,000	6,165
Actual Results	81,536	80,832	0	704

Revenue was \$12,984 million (18.9%) higher than the budgeted amount of \$68,552 million and expenses were \$7,819 million (10.7%) higher than the budgeted amount of \$73,013 million. Additional spending over budget was authorized by supplementary estimates and various statutory appropriations.

Net Liabilities and Accumulated Surplus

In accordance with Canadian generally accepted accounting principles, the government's Consolidated Statement of Financial Position is presented on a net liabilities basis. Net liabilities represent net future cash outflows resulting from past transactions and events. An analysis of net liabilities and accumulated surplus helps users to assess the government's overall financial position and the future revenue required to pay for past transactions and events.

	In Millions			Variance	
	2022/23 Budget	2022/23 Actual	2021/22 Actual	2022/23 Budget to Actual	2022/23 vs 2021/22
	\$	\$	\$	\$	\$
Financial assets	64,054	68,624	64,198	4,570	4,426
Less: liabilities	(133,665)	(129,303)	(121,662)	4,362	(7,641)
Net Liabilities	(69,611)	(60,679)	(57,464)	8,932	(3,215)
Less: non-financial assets	67,197	63,382	60,071	(3,815)	3,311
Accumulated surplus	(2,414)	2,703	2,607	5,117	96

Financial Statement Discussion and Analysis Report

The accumulated surplus represents the sum of the current and prior years' operating results, and accumulated changes in unrealized remeasurement gains and losses. At March 31, 2023, the accumulated surplus was \$2,703 million, \$5,117 million higher than budget.

Financial assets were \$4,426 million higher than 2021/22 as a result of increases in cash, cash equivalents and temporary investments of \$1,105 million, loans for the purchase of assets, recoverable from agencies of \$927 million, equity in self-supported Crown corporations and agencies of \$411 million, and \$1,983 million in other financial assets.

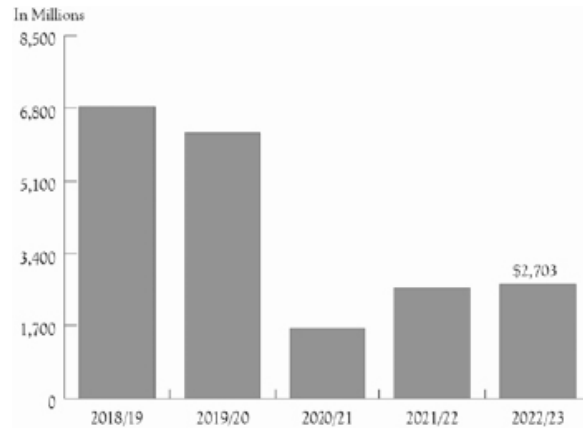
Liabilities increased by \$7,641 million from 2021/22. This was the result of an increase in amounts due to other governments of \$2,435 million, an increase in deferred revenue of \$1,626 million, an increase in self-supported debt of \$1,123 million, a decrease of \$2,001 million in taxpayer-supported debt, and an increase of \$4,458 million in accounts payable and other liabilities.

Non-financial assets typically represent resources, such as tangible capital assets, that the government can use in the future to provide services. Non-financial assets increased by \$3,311 million over 2021/22 representing government's investment in current year infrastructure spending.

Accumulated Surplus

The accumulated surplus represents current and all prior years' operating results. In 2022/23, the province had an accumulated surplus of \$2,703 million, \$96 million higher than in 2021/22. The positive operating results of prior years continue to provide the flexibility to sustain core public services.

2018/19 to 2022/23



Financial Statement Discussion and Analysis Report

Components of Net Liabilities

Financial Assets

Trend analysis of financial assets provides users with information regarding the amount of resources available to the government that can be converted to cash to meet obligations or fund operations.

	In Millions				
	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Actual
	\$	\$	\$	\$	\$
Cash, cash equivalents, temporary investments	3,029	3,985	6,560	7,142	8,247
Equity in self-supported Crown corporations and agencies	5,738	6,523	9,632	12,223	12,634
Loans, advances and mortgages receivable	2,395	2,952	4,032	4,199	4,763
Loans for the purchase of assets, recoverable from agencies	22,547	24,768	26,301	27,218	28,145
Other financial assets	10,994	10,144	11,870	13,416	14,835
Total financial assets	44,703	48,372	58,395	64,198	68,624

In 2022/23, financial assets increased by \$4,426 million primarily due to an increase in cash, cash equivalents, and temporary investments of \$1,105 million, an increase in recoverable capital loans of \$927 million due to investments in power projects, and an increase in equity in self-supported Crown corporations and agencies of \$411 million. The remaining financial assets including receivables, other investments, and derivative financial instruments increased by \$1,983 million.

Liabilities

Trend analysis of liabilities provides users with information to understand and assess the demands on financial assets and the revenue raising capacity of government.

	In Millions				
	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Actual
	\$	\$	\$	\$	\$
Taxpayer-supported debt	43,209	46,669	59,982	62,565	60,564
Self-supported debt	22,655	24,847	26,275	27,209	28,332
Total financial statement debt	65,864	71,516	86,257	89,774	88,896
Accounts payable and other liabilities	12,137	13,101	14,733	18,509	25,402
Deferred revenue	10,543	10,651	12,211	13,379	15,005
Total liabilities	88,544	95,268	113,201	121,662	129,303

In 2022/23, total liabilities increased by \$7,641 million. Liabilities are obligations that must be settled at a future date by the transfer or use of assets. Taxpayer-supported financial statement debt decreased by \$2,001 million and self-supported financial statement debt increased by \$1,123 million. Information relating to the government's debt management can be found in more detail in the analysis of the total provincial debt on page 25. Deferred revenue increased by \$1,626 million and accounts payable and other liabilities increased by \$6,893 million. Deferred revenue represents unearned revenues and restricted contributions that will be recognized as revenue in future periods.

Financial Statement Discussion and Analysis Report

Non-financial Assets

Trend analysis of non-financial assets provides users with information to assess the management of a government's infrastructure and long-term non-financial assets.

	In Millions				
	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Actual
	\$	\$	\$	\$	\$
Tangible capital assets	47,902	50,095	52,851	56,133	59,811
Other non-financial assets	2,786	3,031	3,585	3,938	3,571
Total non-financial assets	50,688	53,126	56,436	60,071	63,382

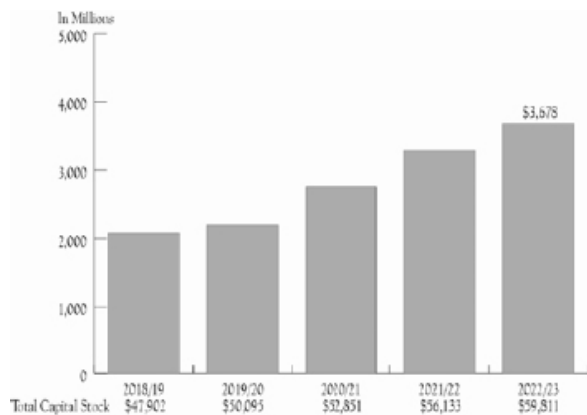
Management of non-financial assets has a direct impact on the level and quality of services a government is able to provide to the public. Non-financial assets typically represent resources that government can use in the future to provide services. At March 31, 2023, non-financial assets were \$63,382 million which was \$3,311 million higher than 2021/22 and \$12,694 million higher than fiscal 2018/19. The majority of the province's non-financial assets represent capital expenditures for tangible capital assets net of amortization. The government has increased its investment in infrastructure spending by \$3,678 million, to ensure service potential is available to deliver programs and services in future periods. Capital expenditures are not included on the Consolidated Statement of Operations and have no effect on the annual surplus (deficit). They reduce future operating results in the form of amortization expense as the service potential of assets is used to deliver programs and services.

Change in Capital Stock

This measure shows the impact of net changes to the government's stock of physical capital. Positive amounts demonstrate an investment in infrastructure to replace existing capital and provide service potential in future periods.

The net annual investment in capital was \$3,678 million in 2022/23, and \$13,985 million since the start of fiscal 2018/19. Total capital stock has also increased steadily over that period, which indicates that capital infrastructure is available to continue providing programs and services in future periods.

2018/19 to 2022/23



Financial Statement Discussion and Analysis Report

Net Liabilities and Accumulated Surplus

	In Millions				
	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Actual
	\$	\$	\$	\$	\$
Financial assets	44,703	48,372	58,395	64,198	68,624
Less: liabilities	(88,544)	(95,268)	(113,201)	(121,662)	(129,303)
Net liabilities	(43,841)	(46,896)	(54,806)	(57,464)	(60,679)
Less: non-financial assets	50,688	53,126	56,436	60,071	63,382
Accumulated surplus	6,847	6,230	1,630	2,607	2,703

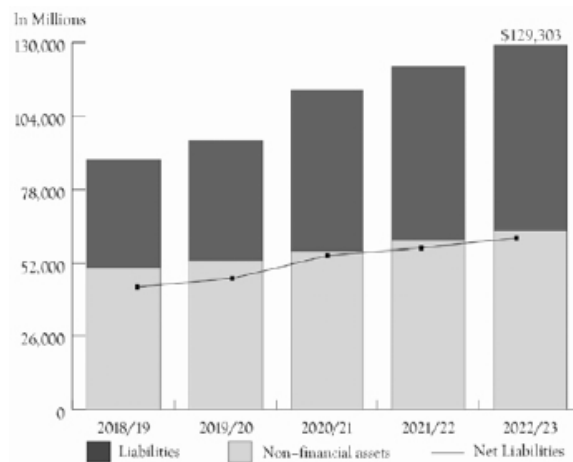
Net liabilities increased by \$3,215 million in 2022/23. Liabilities include deferred revenue of \$15,005 million which represents unearned revenues and restricted contributions that will be recognized as revenue in future periods.

In the year, the financial measure of net liabilities has increased less than the increase in investments in infrastructure, resulting in an increase in accumulated surplus. The accumulated surplus of the province was \$2,703 million at the end of 2022/23, indicating that the cumulative result of all past annual surpluses and deficits is positive, or that the province remains in a positive net financial position.

Non-financial Assets as a Portion of Liabilities

The chart provides an indication of the proportion of liabilities used to fund capital infrastructure as opposed to funding working capital requirements including accounts payable and other operating liabilities, as well as revenue deferred to future periods. Over the past five years, the relationship between non-financial assets and net liabilities has remained stable.

2018/19 to 2022/23



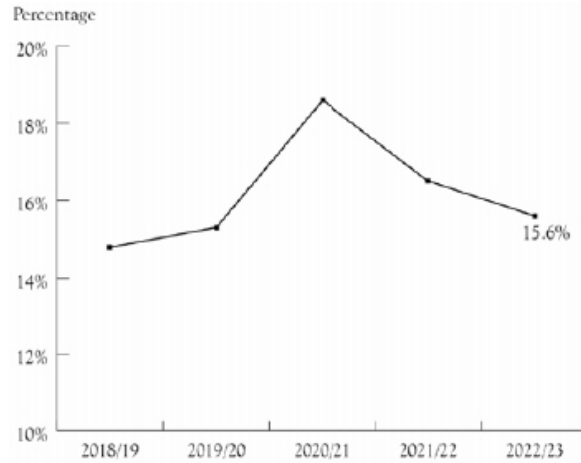
Financial Statement Discussion and Analysis Report

Net Liabilities to GDP

The net liabilities to GDP ratio provides an indication of the province’s ability to maintain existing programs and meet existing creditor requirements without increasing the debt burden on the economy as a whole.

The trend toward increased net liabilities to GDP reflects the ongoing impacts from the COVID–19 pandemic and disaster response, while the ratio returned to a more normal level in 2022/23. Net liabilities include deferred revenue that will be recognized as revenue in future periods, and obligations to outside parties including accounts payable and debt.

2018/19 to 2022/23

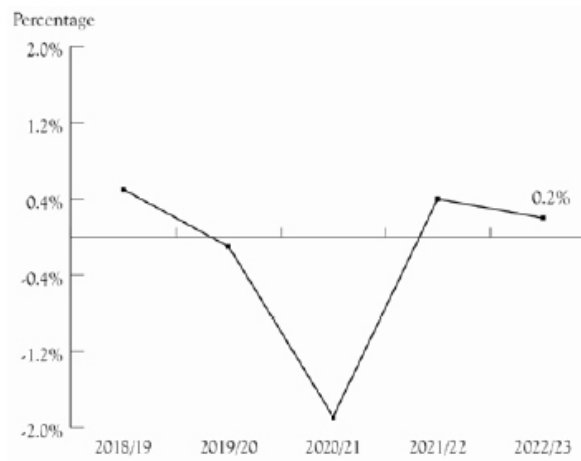


Surplus (Deficit) to GDP

The annual surplus (deficit) to GDP ratio is an indicator of sustainability that compares the province’s financial results to the overall results of the economy.

Results in the positive range of the chart indicate that the economy is growing faster than net government spending. Results in the negative range of the chart reflect government spending on initial pandemic response and recovery programs.

2018/19 to 2022/23



Financial Statement Discussion and Analysis Report

Total Provincial Debt

Total provincial debt is calculated differently than financial statement debt. Analysis of total provincial debt helps users to assess the extent of long-term liabilities and the government’s ability to meet future debt obligations.

	In Millions				
	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Actual
	\$	\$	\$	\$	\$
Gross debt	65,864	71,516	86,257	89,774	88,896
Less: sinking fund assets	(752)	(692)	(492)	(510)	(521)
Third party guarantees and non-guaranteed debt	850	1,337	1,335	1,402	1,523
Foreign exchange adjustments					(472)
Total provincial debt	65,962	72,161	87,100	90,666	89,426

When reporting to rating agencies, the province adds to its financial statement debt all debt guarantees and the debt directly incurred by self-supported Crown corporations, reduced by sinking fund assets. This balance is referred to as the total provincial debt.

Total provincial debt is \$530 million higher than the amounts reported in the province’s financial statements after deducting sinking funds held to pay down the debt, unrealized foreign exchange adjustments of hedged foreign denominated debt translated to March 31, 2023 exchange rates and including guaranteed debt and the debt of self-supported Crown corporations.

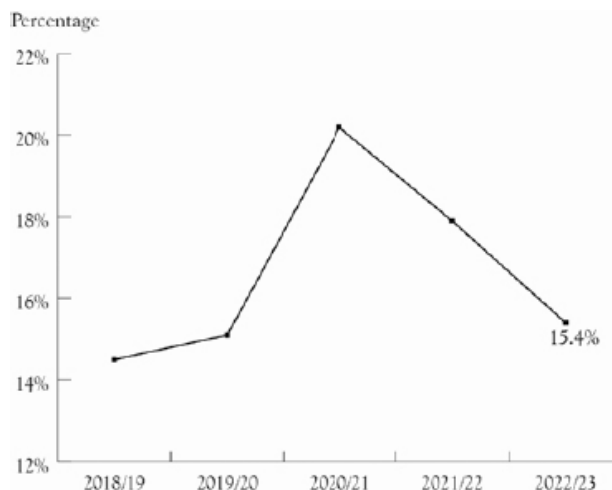
Total provincial debt decreased by \$1,240 million in 2022/23 due to less borrowing required as a result of improved operating results. Taxpayer-supported debt decreased by \$2,407 million, including decreases for government direct operating debt of \$7,233 million and education sector of \$695 million. These were partly offset by increases for BC Transportation Financing Authority of \$4,377 million, the health sector by \$207 million, and other taxpayer-supported corporations and agencies by \$937 million. The debt of self-supported Crown corporations and agencies increased \$1,167 million for investments in power projects.

Taxpayer-supported debt to GDP

The ratio of taxpayer-supported debt to GDP is a key measure used by financial analysts and investors to assess a province’s ability to repay debt and is a key measure monitored by the bond rating agencies. A decreasing ratio means that debt is growing slower than the growth of the economy as measured by GDP.

At the end of 2022/23, taxpayer-supported debt to GDP was 15.4%, which was lower than the budgeted 20.0%, returning to a stable trend after the impacts of COVID-19 in 2020/21.

2018/19 to 2022/23



Financial Statement Discussion and Analysis Report

Strong Credit Rating

Reflecting the province's fiscal performance, British Columbia has maintained a strong credit rating with all three credit rating agencies. In 2022/23, Moody's Investors Service Inc. gave the province a Aaa credit rating (2022: Aaa); Standard and Poor's gave the province a AA credit rating (2022: AA+); and Dominion Bond Rating Service gave the province a AA(high) credit rating (2022: AA(high)).

Credit Ratings March 31, 2023

Jurisdiction	Rating Agency ¹		
	Moody's Investors Service Inc.	Standard and Poor's	Dominion Bond Rating Service
British Columbia	Aaa	AA	AA (high)
Alberta	Aa2	A+	AA (low)
Saskatchewan	Aa1	AA	AA (low)
Manitoba	Aa2	A+	A (high)
Ontario	Aa3	A+	AA (low)
Quebec	Aa2	AA-	AA (low)
New Brunswick	Aa2	A+	A (high)
Nova Scotia	Aa2	AA-	A(high)
Prince Edward Island	Aa2	A	A
Newfoundland	A1	A	A (low)
Canada	Aaa	AAA	AAA

¹The rating agencies assign letter ratings to borrowers. The major categories, in descending order of credit quality, are: AAA/Aaa; AA/Aa; A; BBB/Baa; BB/Ba; and B. The "1", "2", "3", "high", "low", "-", and "+" modifiers show relative standing within the major categories. For example, AA+ exceeds AA.

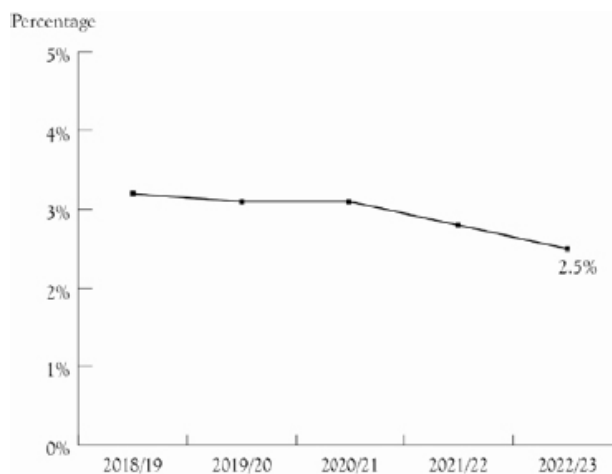
A more comprehensive overview of provincial debt, including key debt indicators is located on pages 139–152.

Public Debt Charges to Revenue (the Interest Bite)

The public debt charges to revenue indicator is often referred to as the "interest bite". This provides users with the percentage of provincial revenue used to pay interest on debt. The ratio is sensitive to the cost of debt arising from either increasing interest rates or increasing debt, as well as decreases in revenue.

If an increasing proportion of provincial revenue is required to pay interest on provincial debt, less money is available to provide core public services. The interest bite has remained stable over the last five years. In 2022/23, the province spent 2.5 cents of each revenue dollar on interest on the provincial taxpayer-supported debt.

2018/19 to 2022/23



Financial Statement Discussion and Analysis Report

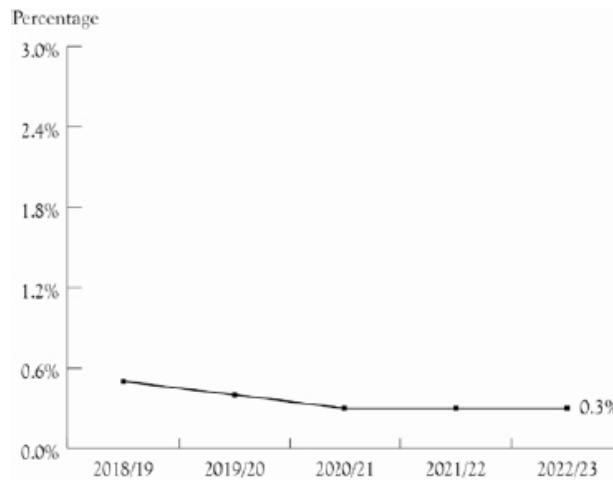
Non-Hedged Foreign Currency Debt to Total Provincial Debt

The ratio of non-hedged foreign currency debt to total provincial debt shows the degree of vulnerability of a government's public debt position to swings in exchange rates.

Non-hedged foreign currency debt directly offset by instruments in the same foreign currency are considered "natural hedges". These amounts are excluded from the ratio.

In 2022/23, the province had the equivalent of CAD \$307 million in non-hedged debt.

2018/19 to 2022/23



Financial Statement Discussion and Analysis Report

Economic Highlights

British Columbia's economy grew by 3.6% in the 2022 calendar year, tied with Ontario for fourth highest among provinces, following a gain of 6.2% in 2021 according to preliminary GDP by industry data from Statistics Canada. The estimated 3.6% advancement for British Columbia in 2022 is an improvement compared to the government's Budget 2023 estimate of 2.8% growth.

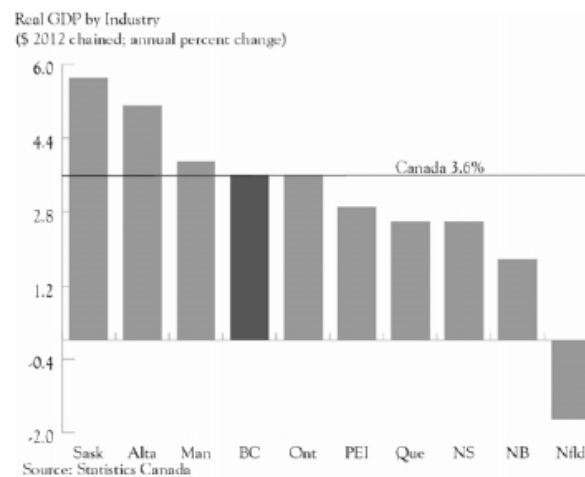
Real Gross Domestic Product in Calendar Year 2022

Both Service-producing industries and goods-producing industries experienced growth in 2022.

Service-producing industries saw 3.7% growth in 2022, with most sectors experiencing gains, except for wholesale trade (down 2.0%), retail trade (down 1.5%) and management of companies and enterprises sector (down 21.3%). Output in the transportation and warehousing (up 10.2%), accommodation and food services (up 19.6%), professional, scientific and technical services (up 5.6%), and healthcare and social assistance (up 3.8%) sectors were the main drivers of the increase. Service-producing sectors experienced a lift from the removal of remaining COVID-19 related restrictions in 2022, but several industries are still below 2019 GDP levels, such as accommodation and food services; transportation and warehousing; and arts, entertainment and recreation.

B.C.'s goods-producing industries grew by 3.3% in 2022, following growth of 5.7% in the previous year. Output in the construction industry provided the largest contribution of all sectors to growth in 2022 increasing by 5.8% compared to 2021. Increases were also observed in the manufacturing (up 3.1%), utilities (up 4.4%) and the mining, quarrying and oil and gas extraction sectors (up 1.7%). Meanwhile, the agriculture, forestry, fishing and hunting sector declined by 4.2% compared to 2021 and remained below pre-pandemic levels.

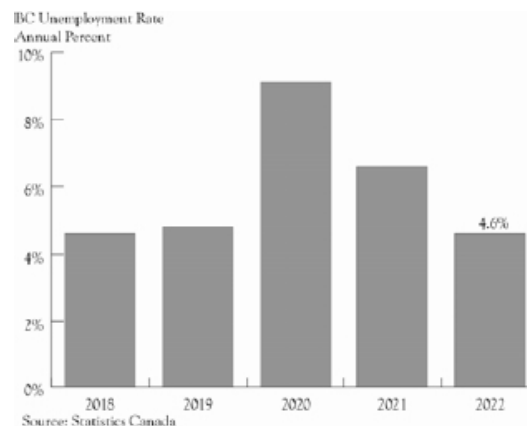
Provincial Comparison



Unemployment Rate

British Columbia's annual unemployment rate was 4.6% in 2022, down from 6.6% in 2021, and was near record lows throughout most of the year. The unemployment rate in B.C. in 2022 was lower than the national unemployment rate of 5.3%. The average level of employment in B.C. increased by 3.2% in 2022, following a gain of 6.2% in 2021.

2018 to 2022



Financial Statement Discussion and Analysis Report

Risks and Uncertainties

The government's main exposure to risks and uncertainties arises from variables, which the government does not directly control. These include:

- assumptions underlying revenue and Crown corporation forecasts such as economic factors, commodity prices and weather conditions;
- the outcome of litigation, arbitration, and negotiations with third parties;
- potential changes to federal transfer allocations, cost-sharing agreements with the federal government and impacts on the provincial income tax bases arising from federal tax policy and budget changes;
- utilization rates for government services such as health care, children and family services, and income assistance;
- exposure to interest rate fluctuations, foreign exchange rates and credit risk; and
- changes in Canadian generally accepted accounting principles.

The following are the approximate effect of changes in some of the key variables on the surplus (deficit):

Key Fiscal Sensitivities

Variable	Increase Of	Annual Fiscal Impact (\$ millions)
Nominal GDP	1%	\$200 to \$300
Lumber prices (US\$/thousand board feet)	\$50	\$100 to \$150 ¹
Natural gas prices (Cdn\$/gigajoule)	25 cents	\$130 to \$150 ²
US exchange rate (US cents/Cdn\$)	1 cent	(\$25) to (\$50)
Interest rates	1 percentage point	(\$186)
Debt	\$500 million	(\$19) to (\$20)

¹Sensitivity relates to stumpage revenue only.

²Sensitivities can vary significantly, especially at lower prices.

Although the government is unable to directly control these variables, strategies have been implemented to mitigate these risks and uncertainties. The development of taxation, financial and corporate regulatory policy to reinforce British Columbia's position as an attractive place to invest and create jobs will help offset the increase in competition for investment as a result of globalization of economic and financial markets. As in previous years, the government applied a forecast allowance in the budget to account for risks to revenue, expenditure, and the forecasts of Crown corporations, school districts, universities, colleges, institutes, and health organizations (SUCH sector). The use of forecast allowances recognizes the uncertainties in predicting future economic developments.

Risk management in relation to debt is discussed in Note 20 on page 73 of the Notes to the Consolidated Summary Financial Statements.

PROVINCE OF BRITISH COLUMBIA
PUBLIC ACCOUNTS 2022/23

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*Consolidated
Summary Financial Statements*

Province of British Columbia

*For the Fiscal Year Ended
March 31, 2023*



PROVINCE OF BRITISH COLUMBIA
PUBLIC ACCOUNTS 2022/23

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PROVINCE OF BRITISH COLUMBIA
PUBLIC ACCOUNTS 2022/23

***Statement of Responsibility
for the Summary Financial Statements
of the Government of the Province of British Columbia***

Responsibility for the integrity and objectivity of the Summary Financial Statements for the Government of the Province of British Columbia rests with the government. The Comptroller General prepares these financial statements in accordance with the *Budget Transparency and Accountability Act* (BTAA), which requires generally accepted accounting principles (GAAP) for senior governments in Canada, supported by regulations of Treasury Board under the BTAA. The fiscal year of the government is from April 1 to March 31 of the following year.

To fulfill its accounting and reporting responsibilities, the government maintains financial management and internal control systems. These systems give due consideration to costs, benefits and risks, and are designed to provide reasonable assurance that transactions are properly authorized by the Legislative Assembly, are executed in accordance with prescribed regulations and are properly recorded. This is done to maintain accountability of public money and safeguard the assets and properties of the Province of British Columbia under government administration. The Comptroller General of British Columbia maintains the accounts of British Columbia, a centralized record of the government's financial transactions, and obtains additional information as required from ministries, Crown corporations, agencies, school districts, universities, colleges, institutes and health organizations to meet accounting and reporting requirements.

The Auditor General of British Columbia provides an independent opinion on the financial statements prepared by the government. The duties of the Auditor General in that respect are contained in section 11 of the *Auditor General Act*.

Annually, the financial statements are tabled in the legislature as part of the Public Accounts, and are referred to the Select Standing Committee on Public Accounts of the Legislative Assembly. The Select Standing Committee on Public Accounts reports to the Legislative Assembly with the results of its examination and any recommendations it may have with respect to the financial statements and accompanying audit opinions.

Approved on behalf of the Government of the Province of British Columbia:

/s/ Katrine Conroy
KATRINE CONROY
Chair, Treasury Board

PROVINCE OF BRITISH COLUMBIA
PUBLIC ACCOUNTS 2022/23

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Independent Auditor's Report

To the Legislative Assembly of the Province of British Columbia:

Qualified Opinion

I have audited the Summary Financial Statements of the Government of the Province of British Columbia ("government") using my staff and resources. The Engagement Leader, Molly Pearce, CPA, CA is responsible for this audit and its performance. The Summary Financial Statements of government comprise the consolidated statement of financial position as at March 31, 2023, and the consolidated statements of operations, change in net liabilities, remeasurement gains and losses and cash flows for the year then ended, and notes to the Summary Financial Statements including a summary of significant accounting policies.

In my opinion, except for the effects of the matters described in the basis for qualified opinion section of my report, the Summary Financial Statements present fairly, in all material respects, the financial position of government as at March 31, 2023, and the results of its operations, change in its net liabilities, remeasurement gains and losses, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Summary Financial Statements* section of my report. I am independent of government in accordance with the ethical requirements that are relevant to my audit of the Summary Financial Statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

Deferral of Revenues

Government's accounting treatment for funds received from other governments, and for externally restricted funds received from non-government sources, is to initially record them as deferred revenue (a liability) and then recognize revenue in the statement of operations either on the same basis as the related expenditures occur or, in the case of funds for the purchase or construction of capital assets, to recognize revenue on the same basis as the related assets are amortized.

Under Canadian public sector accounting standards, government's method of accounting for contributions is only appropriate in circumstances where the funding meets the definition of a liability. Otherwise, the appropriate accounting treatment is to record contributions as revenue when they are received or receivable. In my opinion, certain contributions from others do not meet the definition of a liability, and as such government's method of accounting for those contributions represents a departure from Canadian public sector accounting standards.

This departure has existed since the inception of the standard, which applies to periods beginning on or after April 1, 2012. Had government made an adjustment to correct for this departure in the current year, the liability for deferred revenue as at March 31, 2023 would have been lower by \$6.97 billion, contribution revenue, surplus for the year, and accumulated surplus would have been higher by \$6.97 billion, and net liabilities would have been lower by \$6.97 billion.

Incomplete Contractual Obligations Disclosure

Under Canadian public sector accounting standards, contractual obligations that commit government to make certain expenditures, for a considerable period into the future, are required to be disclosed so that financial statement users understand the nature and extent to which government's resources are already committed to meet its future obligations. The Summary Financial Statements do not provide the required disclosures in relation to certain contracts, such as many contracts below the \$50 million threshold noted in Note 28 – Contingent Liabilities and Contractual Obligations as well as larger contracts such as the obligation to the BC First Nations Gaming Revenue Sharing Limited Partnership (see following qualification). In my opinion, this represents a departure from Canadian public sector accounting standards. The following table, derived from historical information and management's records, sets out the estimated effect of this departure on Note 28 – Contingent Liabilities and Contractual Obligations.

Understatement of Contractual Obligations	In Millions						
	2024	2025	2026	2027	2028	2029 and beyond	Total
	\$	\$	\$	\$	\$	\$	\$
Consolidated Revenue Fund and Taxpayer-supported Crown corporations and agencies	987	604	455	427	384	2,070	4,927

BC First Nations Gaming Revenue Sharing Agreement Accounting Treatment

On October 31, 2019, amendments to the *Gaming Control Act* (the Act) added Division 4 – First Nations Revenue Sharing. On September 16, 2020, the Province of British Columbia entered into the Long-Term BC First Nations Gaming Revenue Sharing and Financial Agreement (the Agreement) which sets out the administrative mechanism for implementing the amendments to the Act. Both the amendments and the Agreement set out the direction to pay 7% of the net income of British Columbia Lottery Corporation (BCLC) to the BC First Nations Gaming Revenue Sharing Limited Partnership (the Partnership) each year for 23 years commencing in 2022.

Under Canadian public sector accounting standards, this arrangement should be accounted for on a gross basis, whereby, the net income of BCLC should be included in the revenue of government and the transfer of 7% of the BCLC net income made to the Partnership should be recorded as a government transfer expense. Note disclosures associated with this transaction should reflect this accounting treatment. Government's Summary Financial Statements have accounted for this transaction on a net basis. As a result, neither the revenues nor the expenses have been reflected on the statement of operations. Note 39 – Dedicated Revenues describes the transaction as a "flow-through" arrangement. In my opinion, government's method of accounting for the Agreement, and the disclosure in Note 39 – Dedicated Revenues, represents a departure from Canadian public sector accounting standards.

The effect of this departure is an understatement of both revenues and expenses on the statement of operations in the current year of \$113.6 million, and an inaccurate characterization of this transaction as a "flow-through" arrangement in Note 39. Additionally, the Agreement represents a contractual obligation that should be included in Note 28 – Contingent Liabilities and Contractual Obligations (see previous qualification).

Key Audit Matters

Key audit matters are those that, in my professional judgment, were of most significance in my audit of the Summary Financial Statements of the current period. These matters were addressed in the context of my audit of the Summary Financial Statements as a whole and in forming my opinion thereon and I do not provide a separate opinion on these matters. In addition to the matters described in the basis for qualified opinion section, I have determined the matters described below to be the key audit matters to be communicated in my report.

Estimate of Personal and Corporate Income Taxation Revenue

Personal and corporate income tax are two of government's largest tax revenue streams, estimated at more than \$17.3 billion and \$9.2 billion respectively, for fiscal 2023. These two revenue streams are included in Note 29 – Taxation Revenue with further information included in Note 2 - Measurement Uncertainty.

Personal and corporate income tax revenue in a fiscal year is derived from management's estimate of income tax for two separate calendar years. For the fiscal year ending March 31, 2023, government records nine months of revenue for calendar year 2022 and three months of revenue for calendar year 2023. However, the tax assessments for the 2022 calendar year will not be finalized until many months later, and the 2023 tax assessments won't be available until one year later. This means precise income tax revenue figures cannot be determined until at least 21 months after the fiscal year-end date. As a result, government is required to estimate these revenues based on the best information available at the time of reporting. For the current year, this included ensuring the estimates incorporated information received in the most recent tax sharing statements received in late July. Both the estimates are complex and include several inputs and assumptions and as a result have collectively been identified as a key audit matter.

Audit work to address this key audit matter included assessing the appropriateness of the methods used to make the estimates and performing a retrospective review to evaluate the accuracy of the models used. Audit work was also performed work to ensure the underlying data supporting management's estimates is correct, testing the accuracy of management's calculations supporting the estimates and developing range estimates to assess management's estimates against. Audit procedures also included a review of the estimates for indications of management bias, an evaluation of the quality of the measurement uncertainty disclosure in the Summary Financial Statements and obtaining written representations from management related to estimates.

An auditor's specialist was engaged to assist with the audit of these complex estimates.

Financial Instruments and Related Standards

Effective for the current year, government adopted a suite of public sector accounting standards related to financial instruments. These standards include PS3450: Financial Instruments, PS3041: Portfolio Investments, PS2601: Foreign Currency Translation, and PS1201: Financial Statement Presentation. As described in Note 1(d), government's financial instruments include cash, receivables, investments, payables and debt, as well as derivative instruments such as cross-currency swaps, interest rate swaps, and forward foreign exchange contracts. Government has over \$90 billion in long-term debt. Government hedges the risks that arise related to their debt borrowing using the aforementioned derivative instruments. Financial instruments can be difficult to measure and can expose government to risks. These standards are designed to provide financial statement users with information about how the instruments were measured, and the extent to which government is exposed to risks arising from the financial instruments it holds.

These accounting standards require government to present a new statement called the statement of remeasurement gains and losses, which is designed to show gains and losses associated with changes in the value of financial instruments from one period to the next, along with any changes resulting from financial instrument transactions that occurred during the period. These standards also require government to include key disclosures relating to its financial instruments, such as the fair value for government's \$7.5 billion investments, distinguishing between three categories of measurement to help financial statement users understand the level of subjectivity associated with their measurement. Furthermore, government is required to make certain disclosures related to the risk exposure associated with their use of financial instruments, including disclosures relating to liquidity risk, interest rate risk, foreign exchange risk, credit risk and other market risks. The valuation of financial instruments is complex and involves significant judgments and estimates, and there are extensive disclosure requirements on the risks associated with government's use of these instruments. As a result, the adoption of these standards has been identified as a key audit matter.

Audit work to address this key audit matter included assessing government's accounting policy for compliance with these standards, evaluating the completeness of the scoped in financial instruments, assessing the appropriateness of government's methodology, data, and assumptions to value derivative financial instruments, assessing significant contracts for embedded derivatives, reviewing documents to assess the appropriateness of the new statement of remeasurement gains and losses, and evaluating the presentation and disclosure of financial instruments in accordance with the requirements of Canadian public sector accounting standards.

An auditor's specialist was engaged to assist with the audit of fair values of the derivative financial instruments.

Valuation of Plan Assets and Pension Benefits for Pension Plans

Government participates in four jointly trustee pension plans that include a joint defined benefit component for most British Columbia public servants. The estimated plan assets and accrued benefit obligations of these plans both exceed \$89 billion.

Pension plan accounting values plan assets at market-related value for funded plans. Market-related value is derived from the fair value of plan assets reported in the pension plan financial statements. When observable market data is not available for investments, estimates of fair value are required. Fair value estimates require significant management judgment.

Government relies on a third-party actuarial specialist to estimate the accrued benefit obligation and other information for financial statement note disclosures. These calculations rely on management's assumptions for significant economic and demographic assumptions.

Valuing pension benefits is a complex area requiring significant judgement and estimates. Given the magnitude of the accrued benefit obligation, small changes to the long-term assumptions can have a material impact on the liability, or asset, and expenses. As a result, pension plan accounting has been identified as a key audit matter.

Audit work to address this key audit matter included performing procedures to rely on the pension plan auditor's reports for the plan assets used in the estimates, as well as their work over the data provided by management to the actuary for making the estimate. Audit work also included assessing the qualifications of management's actuarial expert, gaining an understanding of the assumptions and methods used by the actuary in determining the accrued benefit obligation for pension benefits, obtaining the actuarial report, audited pension plan financial statements and other supporting documentation to test management's assumptions, calculations and journal entries for pension accounting and evaluating the presentation and disclosure of pension plans in accordance with the requirements of Canadian public sector accounting standards.

Asset Retirement Obligations

Effective for the current year, government adopted the new public sector accounting standard PS3280: Asset Retirement Obligations. This new standard requires government to record a liability for obligations related to the retirement of assets. It defines which retirement activities should be accrued for, establishes when to recognize the liability, how to measure asset retirement obligations, and provides requirements for financial statement presentation and disclosure. As at March 31, 2023, government recorded \$1.87 billion in asset retirement obligations, with \$1.7 billion reported for the prior year which has been restated.

The Summary Financial Statements provide information about the impact of the implementation of this new standard in Note 1(e) changes in accounting policy – Adoption of Public Sector Accounting Standards PS 3280, Asset Retirement Obligations. Further information is included in note 1(d) significant accounting policies – Asset Retirement Obligations, Note 12 - Accounts Payable and Accrued Liabilities and Note 36 - Asset Retirement Obligations.

The adoption of this standard required government to identify tangible capital assets with retirement activities meeting the definition of an asset retirement obligation, estimate the cost to complete retirement activities, and determine when retirement activities will occur. This process was complex and required significant judgment and assumptions and as a result, has been identified as a key audit matter.

Audit work to address this key audit matter included assessing government's accounting policy for asset retirement obligations, evaluating the completeness and accuracy of identified tangible capital assets with qualifying retirement activities, assessing the appropriateness of government's methodology, data, and assumptions to estimate the cost of retirement activities, and evaluating the presentation and disclosure of asset retirement obligations in accordance with the requirements of Canadian public sector accounting standards. This also included assessing the qualifications and work of government's experts engaged to assist in the estimation process.

Other accompanying information

Government is responsible for the information they report in the annual Public Accounts. My opinion on the Summary Financial Statements does not cover other information included in the annual Public Accounts that accompanies the Summary Financial Statements and, except for my independent auditor's report on the debt-related statements, I do not express any form of assurance conclusion thereon.

In connection with my audit of the Summary Financial Statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Summary Financial Statements, or my knowledge obtained during the audit or otherwise appears to be materially misstated.

Prior to the date of my auditor's report, I obtained a copy of the Public Accounts. If, based on the work I have performed on the other information, I conclude that there is a material misstatement therein, I am required to report that fact in this auditor's report.

As described in the basis for qualified opinion section above, I believe there are material misstatements in government's accounting for deferral of revenues. I have concluded that the other information is materially misstated for the same reason with respect to the amounts or other items in the annual report affected by this departure from Canadian public sector accounting standards.

Responsibilities of Treasury Board for the Summary Financial Statements

The Treasury Board of British Columbia is responsible for the oversight of the financial reporting process including the approval of significant accounting policies. The Comptroller General of British Columbia (comptroller general) is responsible for the preparation and fair presentation of the Summary Financial Statements in accordance with the *Budget Transparency and Accountability Act*, and for such internal control as the comptroller general determines is necessary to enable the preparation of the Summary Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Summary Financial Statements, the comptroller general is responsible for assessing government's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting when government will continue its operations for the foreseeable future.

Auditor's responsibilities for the audit of the Summary Financial Statements

My objectives are to obtain reasonable assurance about whether the Summary Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with generally accepted accounting principles, being public sector accounting standards for senior governments in Canada. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Summary Financial Statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the Summary Financial Statements, whether due to fraud or error; design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of government's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the comptroller general.
- Conclude on the appropriateness of the comptroller general's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on government's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the Summary Financial Statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause government to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Summary Financial Statements, including the disclosures, and whether the Summary Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

The audit of the Summary Financial Statements is a group audit engagement. As such I also obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the Summary Financial Statements. I am responsible for the direction, supervision and performance of the group audit and I remain solely responsible for my audit opinion.

I communicate with the Chair of Treasury Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the Chair of Treasury Board with a statement that I have complied with relevant ethical requirements regarding independence, and communicated with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

/s/ Michael A. Pickup

Michael A. Pickup, FCPA, FCA
Auditor General of British Columbia

Victoria, British Columbia, Canada
August 22, 2023



PROVINCE OF BRITISH COLUMBIA
PUBLIC ACCOUNTS 2022/23

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Summary Financial Statements
Consolidated Statement of Financial Position
as at March 31, 2023

	Note	In Millions	
		2023	2022
		\$	as restated \$
Financial Assets			
Cash and cash equivalents		7,833	6,827
Temporary investments		414	315
Accounts receivable	3	7,396	6,779
Inventories for resale	4	103	74
Due from other governments	5	1,360	1,778
Due from self-supported Crown corporations and agencies	6	421	331
Equity in self-supported Crown corporations and agencies	7	12,634	12,223
Loans, advances and mortgages receivable	8	4,763	4,199
Other investments	9	4,371	3,944
Sinking fund investments	10	521	510
Derivative financial instruments	20	663	
Loans for purchase of assets, recoverable from agencies	11	28,145	27,218
		<u>68,624</u>	<u>64,198</u>
Liabilities			
Accounts payable and accrued liabilities	12	17,386	14,060
Employee future benefits	13	3,234	3,075
Due to other governments	14	3,108	673
Due to Crown corporations, agencies and trust funds	15	643	701
Deferred revenue	16	15,005	13,379
Taxpayer supported debt	18	60,564	62,565
Self-supported debt	19	28,332	27,209
Derivative financial instruments	20	1,031	
		<u>129,303</u>	<u>121,662</u>
Net assets (liabilities)	21	<u>(60,679)</u>	<u>(57,464)</u>
Non-financial Assets			
Tangible capital assets	22	59,811	56,133
Restricted assets	23	2,224	2,147
Prepaid program costs	24	1,104	1,347
Other assets	25	243	444
		<u>63,382</u>	<u>60,071</u>
Accumulated surplus (deficit)	26	<u>2,703</u>	<u>2,607</u>
Measurement uncertainty	2		
Employee pension plans	17		
Contingent assets and contractual rights	27		
Contingent liabilities and contractual obligations	28		

The accompanying notes and supplementary statements are an integral part of these consolidated financial statements.

Prepared in accordance with Canadian generally accepted accounting principles.

/s/ Carl Fischer
CARL FISCHER
Comptroller General

PROVINCE OF BRITISH COLUMBIA
PUBLIC ACCOUNTS 2022/23

Summary Financial Statements
Consolidated Statement of Operations
for the Fiscal Year Ended March 31, 2023

	In Millions		
	2023		2022
	Estimates (Note 34)	Actual	Actual as restated
	\$	\$	\$
Revenue			
Taxation (Note 29)	40,070	49,025	40,717
Contributions from the federal government	11,340	12,526	11,980
Fees and licenses	4,886	4,928	4,584
Miscellaneous	3,807	4,445	3,910
Net earnings of self-supported Crown corporations and agencies (Note 7)	3,764	3,098	5,424
Natural resources (Note 30)	3,387	6,198	4,471
Investment income	1,298	1,316	1,306
	68,552	81,536	72,392
Expense (Note 31)			
Health	27,685	30,322	27,591
Education	16,673	16,991	15,801
Social services	7,916	9,652	7,268
Other	7,484	5,736	3,082
Natural resources and economic development	3,748	6,284	5,213
Interest	2,926	2,719	2,742
Protection of persons and property	2,479	3,483	2,937
Transportation	2,454	3,319	4,453
General government	1,648	2,326	2,040
	73,013	80,832	71,127
Surplus (deficit) for the year before forecast allowance	(4,461)	704	1,265
Forecast allowance	(1,000)		
Surplus (deficit) for the year	(5,461)	704	1,265
Accumulated surplus (deficit)—beginning of year as restated (Note 26)		2,201	946
Net remeasurement gains and (losses)		(202)	396
Accumulated surplus (deficit)—end of year		2,703	2,607

The accompanying notes and supplementary statements are an integral part of these consolidated financial statements.

Summary Financial Statements
Consolidated Statement of Change in Net Liabilities
for the Fiscal Year Ended March 31, 2023

	In Millions		
	2023		2022
	Estimates ¹	Actual	Actual as restated
	\$	\$	\$
Surplus (deficit) for the year	(5,461)	704	1,265
Effect of change in tangible capital assets:			
Acquisition of tangible capital assets	(9,279)	(6,755)	(6,020)
(Gain) or loss on sale of tangible capital assets	(22)	(40)	(18)
Amortization of tangible capital assets	2,815	2,926	2,681
Disposals and valuation adjustments	20	191	74
	<u>(6,466)</u>	<u>(3,678)</u>	<u>(3,283)</u>
Effect of change in:			
Restricted assets	(66)	(77)	(144)
Prepaid program costs	(6)	243	(83)
Other assets	1	201	(126)
	<u>(71)</u>	<u>367</u>	<u>(353)</u>
Effect of self-supported Crown corporations' and agencies' other comprehensive income	10	231	(287)
Effect of net remeasurement gains and (losses)		(829)	
Effect of change in other investments ²		(10)	
(Increase) in net liabilities	(11,988)	(3,215)	(2,658)
Net (liabilities)—beginning of year	(57,623)	(57,464)	(54,806)
Net (liabilities)—end of year (Note 21)	<u>(69,611)</u>	<u>(60,679)</u>	<u>(57,464)</u>

The accompanying notes and supplementary statements are an integral part of these consolidated financial statements.

¹The estimates amounts are from page 178 of the Budget and Fiscal Plan 2022/23–2024/25.

²Due to adoption of the financial instruments accounting standard during fiscal 2023.

Summary Financial Statements
Consolidated Statement of Remeasurement Gains and Losses
for the Fiscal Year Ended March 31, 2023

	In Millions	
	2023	2022
	\$	\$
Accumulated remeasurement gains (losses) – beginning of year, before other comprehensive income	0	0
Adjustments for adoption of the financial instruments–related standards:		
Foreign exchange	120	
Derivatives	144	
Portfolio investments ¹	128	
Total adjusted accumulated remeasurement gains (losses) – beginning of year	392	0
Changes in unrealized gains (losses) attributable to:		
Foreign exchange	(1,125)	
Derivatives	286	
Portfolio investments	(47)	
Total changes in unrealized gains (losses)	(886)	0
Amounts reclassified to the statement of operations:		
Foreign exchange	533	
Derivatives	(798)	
Portfolio investments	(70)	
Total reclassified to the statement of operations	(335)	0
Total remeasurement gains (losses) attributable to:		
Foreign exchange	(472)	
Derivatives	(368)	
Portfolio investments	11	
Remeasurement gains and (losses), before other comprehensive income from self–supported Crown corporations and agencies	(829)	0
Accumulated other comprehensive income from self–supported Crown corporations and agencies – beginning of the year	396	683
Other comprehensive income from self–supported Crown corporations and agencies	231	(287)
Accumulated other comprehensive income from self–supported Crown corporations and agencies	627	396
Accumulated remeasurement gains (losses) – end of year	(202)	396

The accompanying notes and supplementary statements are an integral part of these consolidated financial statements.

¹Portfolio investments include equities, bonds and certain other investments designated to the fair value measurement category.

Summary Financial Statements
Consolidated Statement of Cash Flow
for the Fiscal Year Ended March 31, 2023

	In Millions			
	2023			2022
	Receipts	Disbursements	Net	Net as restated
	\$	\$	\$	\$
Operating Transactions				
Surplus (deficit) for the year ¹			704	1,265
Non-cash items included in surplus (deficit):				
Amortization of tangible capital assets			2,926	2,681
Amortization of public debt deferred revenue and deferred charges			40	(57)
Concessionary loan adjustments increase			10	5
(Gain) or loss on sale of tangible capital assets			(40)	(18)
Valuation adjustment			305	118
Net earnings of self-supported Crown corporations and agencies			(3,098)	(5,424)
Temporary investments (increase) decrease			(99)	82
Accounts receivable (increase)			(705)	(892)
Due from other governments decrease (increase)			418	(67)
Due from self-supported Crown corporations and agencies (increase)			(90)	(49)
Accounts payable and accrued liabilities increase			3,326	3,526
Employee future benefits increase			159	210
Due to other governments increase			2,435	50
Due to Crown corporations, agencies and funds (decrease)			(58)	(9)
Employee pension plan (decrease)				(1)
Items applicable to future operations increase			1,875	925
Dividends from self-supported Crown corporations and agencies			2,919	2,546
Cash derived from operations			<u>11,027</u>	<u>4,891</u>
Capital Transactions				
Tangible capital assets dispositions (acquisitions)	183	(6,755)	(6,572)	(5,955)
Cash (used for) capital	<u>183</u>	<u>(6,755)</u>	<u>(6,572)</u>	<u>(5,955)</u>
Investment Transactions				
Investment in self-supported Crown corporations and agencies			(1)	(1)
Loans, advances and mortgages receivable (issues)	256	(872)	(616)	(187)
Other investments—net (increase)		(414)	(414)	(601)
Restricted assets—net (increase)		(77)	(77)	(144)
Sinking fund investments—net (increase)	23	(44)	(21)	(30)
Cash (used for) investments	<u>279</u>	<u>(1,408)</u>	<u>(1,129)</u>	<u>(962)</u>
Sub-total cash excess (requirements)			<u>3,326</u>	<u>(2,026)</u>

PROVINCE OF BRITISH COLUMBIA
PUBLIC ACCOUNTS 2022/23

Summary Financial Statements
Consolidated Statement of Cash Flow—Continued
for the Fiscal Year Ended March 31, 2023

	In Millions			
	2023			2022
	Receipts	Disbursements	Net	Net
	\$	\$	\$	\$
Sub-total cash excess (requirements) carried forward from previous page			3,326	(2,026)
Financing Transactions²				
Public debt (decreases) increases	24,844	(26,166)	(1,322)	3,598
(Used for) purchase of assets, recoverable from agencies	9,224	(10,222)	(998)	(908)
Cash (used for) derived from financing	34,068	(36,388)	(2,320)	2,690
Increase in cash and cash equivalents			1,006	664
Cash and cash equivalents—beginning of year			6,827	6,163
Cash and cash equivalents—end of year			7,833	6,827
Cash and cash equivalents are made up of:				
Cash			7,059	5,843
Cash equivalents			774	984
			7,833	6,827

¹Interest received during the year was \$1,304 million (2022: \$1,302 million). Interest paid during the year was \$2,696 million (2022: \$2,725 million). Interest received includes interest income from the Statement of Operations in the amount of \$1,316 million (2022: \$1,306 million) plus the change in accrued interest receivable in the amount of \$(12) million (2022: \$(4) million). Interest paid includes interest expense from the Statement of Operations in the amount of \$2,719 million (2022: \$2,742 million) plus the change in accrued interest payable in the amount of \$(23) million (2022: \$(17) million).

²Financing transaction receipts are from debt issues and disbursements are for debt repayments.

The accompanying notes and supplementary statements are an integral part of these consolidated financial statements.

**Notes to Consolidated Summary Financial Statements
for the Fiscal Year Ended March 31, 2023**

1. Significant Accounting Policies

(a) BASIS OF ACCOUNTING

The government's Summary Financial Statements are prepared in accordance with the *Budget Transparency and Accountability Act* (BTAA), which requires generally accepted accounting principles (GAAP) for senior governments in Canada, supported by regulations of Treasury Board under the BTAA.

(b) REPORTING ENTITY

These financial statements include the accounts of organizations that meet the criteria of control (by the province) as established under Canadian Public Sector Accounting Standards. The reporting entity also includes government partnerships.

A list of organizations included in these consolidated financial statements may be found on pages 93 – 95. Trusts administered by government or government organizations are excluded from the reporting entity.

(c) PRINCIPLES OF CONSOLIDATION

Taxpayer-supported Crown corporations, agencies, and the school districts, universities, colleges, institutes, health organizations (SUCH) and the Consolidated Revenue Fund (CRF) are consolidated using the full consolidation method. The government's interests in government partnerships are recorded on a proportional consolidation basis. Self-supported Crown corporations, agencies, entities and government business partnerships are consolidated using the modified equity basis of consolidation.

Organizations are reviewed annually to determine whether they can be expected to meet the definition of self-supported over their normal course of operations. In determining whether organizations will be able to maintain their operations and meet their liabilities from revenues received from sources outside of the government reporting entity, the following factors are considered as they apply:

- i) The organization's history of maintaining its operations and meeting its liabilities;
- ii) Whether the organization would continue to maintain its operations and meet its liabilities without relying on sales to, or subsidies in cash or kind from, the government reporting entity;
- iii) Past, present and future economic conditions within which the organization operates; and
- iv) Whether the organization has realistic and specific plans that show how it expects to be able to maintain its operations and meet its liabilities in the future.

The status of self-supported organizations is not changed in response to financial results which are reasonably expected to be temporary in nature. Organizations are classified as self-supported on establishment and during a start up period if they are reasonably expected to meet the definition of self-supported in their normal course of operations.

The definitions of these consolidation methods can be found on page 153.

Adjustments are made for Crown corporations, agencies and entities whose fiscal year ends are different from the government's fiscal year end of March 31. These Crown corporations, agencies and entities consist of all school districts (June 30).

Statistics Canada's Financial Management System for Government Statistics provides the guidance for establishing segment disclosure and function reporting. The Consolidated Statement of Financial Position by Sector and the Consolidated Statement of Operations by Sector are found on pages 96 – 103. These statements include the operations of the CRF, taxpayer-supported Crown corporations and agencies, and SUCH sector organizations. Each taxpayer-supported Crown corporation, agency and SUCH sector organization is assigned to a sector based on its major activity. Sectors are identified using functions. The nature of each function is described in greater detail under Note 1(d) Classification by Sector.

**Notes to Consolidated Summary Financial Statements
for the Fiscal Year Ended March 31, 2023—Continued****1. Significant Accounting Policies—Continued****(d) SPECIFIC ACCOUNTING POLICIES***Classification by Sector*

The province uses the following sectors: health, education, social services, natural resources and economic development, protection of persons and property, transportation, general government, debt servicing and other.

The health sector includes the provincial health care system. It includes providing medical, hospital and preventive care, and other health-related services such as laboratories and diagnostic facilities.

The education sector includes education services. It includes elementary, secondary, and post-secondary schools. It also includes other education services such as programs to upgrade the skills of individuals and to provide apprenticeship training.

The social services sector includes outlays that the province made to help disadvantaged individuals and families overcome obstacles and circumstances which threaten their well-being. It includes counselling and rehabilitation services, transfer payments to individuals with a physical or mental disability, and services and goods provided by the province to the elderly.

The natural resources and economic development sector includes the promotion and development of industries, as well as the development and conservation of the natural resources on which these industries depend. It includes regulating the various industrial activities that are carried on in the province, as well as research related to resource conservation.

The protection of persons and property sector includes the protection of persons and property from negligence, abuse and crime. It includes policing, operating and maintaining courts of law and correctional facilities. It includes services related to new immigrants. It also includes negotiations to resolve land, resources, governance and jurisdictional issues with First Nations.

The transportation sector includes the operation and maintenance of transportation systems. This includes highway infrastructure, other road systems and public transit.

The general government sector is composed of three sub-categories. These are general administration, executive and legislature, and other general government services. General administration includes central accounting, budgeting, tax administration and collection, and other centralized administrative services. Executive and legislature includes the political, law enactment and constitutional activities of the province.

The debt servicing sector represents the financial impacts of activities related to management of public debt.

The other sector consists of activities, such as housing and culture, which cannot be allocated to any of the specifically described sector classifications.

Revenue

All revenue is recorded on an accrual basis. For corporate income tax, the cash received from the federal government is used as the basis for estimating the tax revenue. Annual tax revenues also include adjustments between the estimated revenues of previous years and actual amounts, as well as revenues from reassessments relating to prior years. Revenues do not include estimates of unreported taxes, or the impact of future reassessments that cannot be reliably determined.

Personal income tax revenue is accrued in the year earned based on estimates of household and taxable income. The revenue reported in the fiscal year is based on a pro-ration of the calendar year estimates.

Direct taxes, such as sales, fuel, carbon and tobacco, are recorded during the period in which the taxable event occurs and when authorized by legislation. Property tax revenues are recorded based on a pro-ration of actual property tax billings for each of the calendar years that comprise the fiscal year.

Taxes payable by the province in the normal course of operations are reported on the gross basis, as are the related expenses.

Tax concessions are accrued on the same basis as the associated tax revenues and reduce gross taxation revenue, but are not considered valuation allowances.

**Notes to Consolidated Summary Financial Statements
for the Fiscal Year Ended March 31, 2023—Continued**

1. Significant Accounting Policies—Continued

Royalty revenue is reported net of allowable credits integral to determining the amount of royalty. Amounts are reported as revenue when received or receivable.

Government transfers are recognized as revenues in the period during which the transfer is authorized and any eligibility criteria are met. Government transfers are deferred if they are restricted through stipulations for specific programs such as health transfers.

Expense

The cost of all goods consumed and services received during the year is expensed. Interest expense includes debt servicing costs such as amortization of discounts and premiums, realized foreign exchange gains and losses, and issue costs.

Pension expense is calculated as the cost of pension benefits earned by employees during the year, interest on the pension benefits liability, net of pension plan assets, and amortization of the government's share of any experience gains or losses, less contributions made by members. The estimated total cost of government's share of plan amendments related to past service is expensed in the year the plan is amended.

Government transfers include grants, entitlements and transfers under agreements, as defined in the definitions on page 154. Government transfers are recognized as expenses in the period in which the events giving rise to the transfer occurred, as long as the transfer is authorized, eligibility criteria have been met and a reasonable estimate of the amount can be made.

Financial Instruments

Financial instruments include primary instruments, such as cash, receivables, investments, payables, and debt, and derivative instruments such as interest rate swaps and currency swaps. Derivatives, portfolio investments in equities and bonds quoted in an active market, and certain other investments are measured at fair value. All other financial assets and liabilities are measured at cost or amortized cost. A government classifies fair value measurements using a hierarchy with the following levels:

Level 1: quoted prices in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability

Level 3: inputs that are not based on observable market data.

Derivatives are measured using internal models developed from observable market data (Level 2), portfolio investments are measured using quoted prices (Level 1), and certain other investments are measured with inputs not based on observable market data (Level 3). Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the Consolidated Statement of Remeasurement Gains and Losses. Upon settlement, cumulative gains or losses are reclassified to the Consolidated Statement of Operations.

Assets

Assets are recorded to the extent they represent cash and claims upon outside parties, items held for resale to outside parties, prepaid expenses, deferred charges, derivative financial instruments, or tangible capital assets acquired as a result of events and transactions prior to year end.

Financial Assets

Cash and cash equivalents include cash on hand, demand deposits and short-term highly liquid investments that are readily convertible to known amounts of cash. These are subject to an insignificant risk of changes in value. These short-term investments generally have a maturity of three months or less and are held for the purpose of meeting short-term cash commitments rather than for investing.

**Notes to Consolidated Summary Financial Statements
for the Fiscal Year Ended March 31, 2023—Continued****1. Significant Accounting Policies—Continued**

Temporary investments and Warehouse Program investments include short-term investments recorded at the lower of cost or market value. The fair values of short-term investments approximate their carrying values because of the short-term maturity of these instruments. Warehouse Program investments are short-term investments related to specific borrowings in advance of requirements under the Warehouse Borrowing Program.

Inventories for resale are expected to be sold within one year and include property that has been purchased, or for which development costs have been incurred, and that is held for ultimate resale or lease to outside parties. Inventories for resale are recorded at the lower of cost or net realizable value.

Equity in self-supported Crown corporations and agencies represents the province's investment (including long-term advances) in those self-supported Crown corporations and agencies at cost, increases/decreases in the investees' net assets, and other comprehensive income.

Loans for purchase of assets recoverable from agencies are recorded at maturity value, less unamortized premium or discount, deferred foreign exchange gains or losses and sinking fund balances. Premium/discount is amortized on a constant yield basis.

Loans and advances are recorded at cost less adjustment for any prolonged impairment in value. Mortgages receivable are recorded at the principal amount less valuation allowance, are secured by real estate and are repayable over varying terms. Concessionary loans and mortgages are recorded at net present value at issue, and related present value discounts are expensed. Valuation allowances are made when collectibility is considered doubtful. Interest is accrued on loans receivable only when collection is certain. Otherwise, it is recognized on the cash basis.

Investments in equities and bonds quoted in an active market and certain other investments are recorded at fair value. Other investments are recorded at the cost of acquisition, which may be adjusted by attributed income. Valuation adjustments are made when the value of investments is impaired.

Sinking fund investments are cash and marketable securities held specifically for the purpose of repaying outstanding debt at maturity. Sinking fund investments in marketable securities are recorded at fair value.

Tangible Capital Assets

Tangible capital assets are recorded at historical cost, plus asset retirement obligations, less accumulated amortization and valuation adjustments. The recorded cost, less the residual value, is generally amortized over the estimated useful lives of the assets on a straight-line basis.

All significant tangible capital assets of government organizations and operations have been capitalized. Intangible assets and items inherited by right of the Crown, such as forest, water and mineral resources, are not recognized in these financial statements. Crown land is capitalized at a nominal value of one dollar.

The value of collections (e.g. artifacts, documents, specimens, works of art) has been excluded from the Consolidated Statement of Financial Position. When collections are purchased, these items are expensed.

Liabilities

All liabilities are recorded to the extent they represent claims payable to outside parties as a result of events and transactions prior to year end. This includes probable losses on loan guarantees issued by the province, contingent liabilities (when it is likely a liability exists and the amount of the liability can be reasonably determined on an individual or portfolio basis), unfunded pension liabilities, and derivative financial instruments. Liabilities are not recorded for tax concessions or royalty credits which are integral in determining the amount of revenue.

Guaranteed debt includes guarantees by the Minister of Finance, made through specific agreements or legislation, to repay promissory notes, bank loans, lines of credit, mortgages and other securities. Loss provisions on guaranteed debt are recorded when it is likely that a loss will occur. The amount of the loss provision represents the best estimate of future payments less recoveries. The loss provision is recorded as a liability and an expense in the year determined and is adjusted as necessary to ensure it equals the expected payout of the guarantee.

**Notes to Consolidated Summary Financial Statements
for the Fiscal Year Ended March 31, 2023—Continued**

1. Significant Accounting Policies—Continued

Employee Pension Plans

The province accounts for employee pension plans by recognizing a liability and an expense in the reporting period in which the employee has provided service. The amount is calculated using the accrued benefit actuarial cost method. Where plans are in a net asset position and Joint Trusteeship Agreements restrict access to the assets, the province records the value of plan net assets as nil. The province records a liability for its share where plans are in a net obligation position. Changes in net liabilities/assets, which arise as a result of actuarial gains and losses, are amortized on a straight-line basis over the average remaining service period of employees active at the date of the adjustments. Past service costs from plan amendments are recognized in full in the year of the amendment.

Unfunded pension liabilities of the Members of the Legislative Assembly Superannuation Account represent the terminal funding that would be required from the province for the difference between the present value of the obligations for future benefit entitlements and the amount of funds available in the account.

Public Debt

Public debt represents the direct debt obligations of the Province of British Columbia, including borrowings incurred for government operating purposes, the acquisition of capital assets, re-lending to authorized government bodies and borrowings in advance of future requirements under the Warehouse Borrowing Program. Public debt is reported at amortized cost and consists of short-term promissory notes, notes, bonds and debentures, bank loans, capital leases and mortgages payable. These obligations are recorded at principal less unamortized premium or discount and are adjusted for unrealized foreign exchange gains or losses.

Public debt is reported under two categories:

- (i) Taxpayer-supported debt—includes direct debt used for government operating and capital purposes, the debt of those Crown corporations, agencies and SUCH sector entities who require an operating or debt servicing subsidy from the provincial government, and the debt of an entity that is fully consolidated within these financial statements.
- (ii) Self-supported debt—includes the portion of debt of self-supported organizations and entities that has been borrowed through the government's fiscal agency loan program. It does not include all debt of self-supported organizations as these entities are consolidated on the modified equity basis. Self-supported organizations fully fund their operations and debt from revenue generated through the sale of goods and/or services at commercial rates to buyers that are outside the government reporting entity. Self-supported debt includes debt of the Warehouse Borrowing Program.

Debt premium/discount is amortized using the effective interest method. Unamortized premium/discount on bonds is amortized over the life of the debt.

Foreign Currency Translation

Monetary assets and liabilities denominated in foreign currencies are translated to Canadian dollars at the exchange rate prevailing at year end. Foreign currency transactions are translated at the exchange rate prevailing at the date of the transaction. Adjustments to revenue or expense transactions arising as a result of foreign currency translation are credited or charged to operations at the time the adjustments arise. Unrealized foreign currency gains and losses on long-term, fixed-term monetary assets and liabilities are reported in the Consolidated Statement of Financial Position and in the Consolidated Statement of Remeasurement Gains and Losses. Non-monetary assets and liabilities are translated at historical rates of exchange.

**Notes to Consolidated Summary Financial Statements
for the Fiscal Year Ended March 31, 2023—Continued****1. Significant Accounting Policies—Continued***Derivative Financial Instruments*

The province is a party to financial instruments whose value may vary due to fluctuations in foreign currency exchange rates, interest rate fluctuations and counterparty default on financial obligations, and utilizes derivative financial instruments in hedging strategies to mitigate risk. The fair value of derivative financial instruments is reported in the Consolidated Statement of Financial Position and in the Consolidated Statement of Remeasurement Gains and Losses. The province does not use derivative financial instruments for speculative purposes. Off-balance sheet position data is given in the form of nominal principal amounts outstanding. Amounts earned and expenses incurred under swaps are recognized and offset against the related interest expense.

Other Comprehensive Income

Any recognition of other comprehensive income for self-supported Crown corporations has been reflected in the equity in self-supported Crown corporations and agencies, and in the accumulated surplus (deficit).

Asset Retirement Obligations

The province recognizes asset retirement obligations where there is a legal obligation to retire a tangible capital asset and a reasonable estimate of the fair value of the obligation can be determined. For assets that are not fully amortized, the associated retirement costs are capitalized as part of the carrying value and amortized over the underlying assets' useful lives. Costs relating to obligations for fully amortized assets or assets no longer in productive use are expensed.

(e) CHANGES IN ACCOUNTING POLICY

Adoption of Public Sector Accounting Standards PS 1201, financial statement presentation; PS 2601, foreign currency translation; PS 3041, portfolio investments; and PS 3450, financial instruments

The province adopted these standards prospectively, beginning in this fiscal year. First-time effects of this change include an increase in financial assets of \$11 million from portfolio investments adjusted to fair value, an increase to foreign currency-denominated debt of \$472 million, and recognition of derivative financial instruments liabilities of \$368 million, resulting in net remeasurement losses of \$829 million before other comprehensive income from self-supported Crowns corporations and agencies.

Adoption of Public Sector Accounting Standards PS 3280, asset retirement obligations

The province adopted this standard on a modified retroactive basis with restatement, beginning in this fiscal year. The effects of this change include an increase in liabilities of \$1,826 million (2022: \$1,680 million), an increase in non-financial assets of \$131 million (2022: \$132 million), a decrease in accumulated surplus (deficit)-beginning of year of \$1,548 million (2022: \$1,507 million), and an increase in expense of \$147 million (2022: \$41 million).

**Notes to Consolidated Summary Financial Statements
for the Fiscal Year Ended March 31, 2023—Continued**

2. Measurement Uncertainty

The preparation of financial statements requires the province to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses during the reporting period. Uncertainty in the determination of these amounts is known as measurement uncertainty.

Some of the more significant estimates used in these financial statements affect the accrual of tax revenues, Canada Health Transfer and Canada Social Transfer entitlements, liabilities for pension obligations and other employee future benefits, accruals for environmental obligations, future payments related to contingent liabilities, and valuation allowances for loans, investments and advances. Actual results could differ from estimates. For many common financial statement items, such as accounts payable and allowances for doubtful accounts, measurement uncertainty is inherent but inestimable.

A provision for environmental clean-up is included in accounts payable and accrued liabilities. The provision is subject to a high degree of measurement uncertainty because the existence and extent of contamination, the responsibility for clean-up, and the timing and cost of remediation cannot be reliably estimated in all circumstances. The degree of measurement uncertainty resulting from the estimation of the provision cannot be reasonably determined. Environmental clean-up disclosure is included in Note 28.

A provision for asset retirement obligations is included in accounts payable and accrued liabilities. The provision is subject to a high degree of measurement uncertainty due to the long-term nature of these liabilities and often indeterminate settlement dates. The degree of measurement uncertainty resulting from the estimation of the provision cannot be reasonably determined. Asset retirement obligation disclosure is included in Note 36.

The amount of personal income tax attributable to the year can change as a result of changes in the underlying revenue assumptions, such as household income growth and tax base growth, and as a result of tax assessments and reassessments. The amount of corporate income tax attributable to the tax year can change as a result of tax assessments and reassessments in subsequent years. Tax transfer expenses related to refundable tax credits attributable to the year are also impacted by both personal income tax and corporate income tax assessments and reassessments. The variability of the final amounts attributable to the year cannot be reasonably determined.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. The amount of variability cannot be reasonably determined at this time.

**Notes to Consolidated Summary Financial Statements
for the Fiscal Year Ended March 31, 2023—Continued**

2. Measurement Uncertainty—Continued

Measurement uncertainty exists in these financial statements, as identified in the table below, for items with a variability of over \$10 million:

Program Area	In Millions				
	Actual ¹ Amount Recorded	Measurement Minimum	Uncertainty Maximum	Range	
	\$	\$	\$	Minimum \$	Maximum \$
Liabilities					
<i>Accounts Payable and Accrued Liabilities</i>					
Litigation and Arbitration	166	141	216	(25)	50
Crime Victim Assistance Program	223	190	225	(33)	2
Silviculture Liability	200	180	220	(20)	20
Employee Leave Entitlements	464	450	481	(14)	17
Long-Term Disability Special Account	515	489	541	(26)	26
Variability arises from uncertainty of the outcomes or the use of estimates.					
Revenue					
<i>Taxation</i>					
Personal Income Tax	17,268	16,868	18,068	(400)	800
Employer Health Tax	2,720	2,584	2,856	(136)	136
Speculation and Vacancy Tax	52	44	60	(8)	8
Provincial Sales Tax Rebate	100	95	106	(5)	6
<i>Natural Resources</i>					
Logging Tax	403	222	584	(181)	181
Mineral and Mining Tax	817	749	1,001	(68)	184
<i>Contributions from the Federal Government</i>					
Canada Health Transfer payments ²	6,176	6,131	6,221	(45)	45
Canada Social Transfer payments ²	2,177	2,161	2,193	(16)	16
Expense (Note 31)					
<i>Government Transfers</i>					
Tax Transfers	3,919	3,719	4,119	(200)	200
Variability is based on the potential differences between the estimates for the economic factors used in calculating the accruals and actual economic results.					

¹Actual amount recorded for each program area may not represent the entire amount in the financial statement line item.

²Canada Health Transfer and Canada Social Transfer payments are transfers from the federal government based on the provincial share of national population figures.

**Notes to Consolidated Summary Financial Statements
for the Fiscal Year Ended March 31, 2023—Continued**

3. Accounts Receivable

	In Millions	
	2023	2022
	\$	\$
Accounts receivable	4,340	4,049
Taxes receivable	3,453	3,169
Accrued interest	373	361
	8,166	7,579
Provision for doubtful accounts	(770)	(800)
	7,396	6,779

4. Inventories for Resale

	In Millions	
	2023	2022
	\$	\$
Properties	40	13
Miscellaneous	63	61
	103	74

Inventories for resale are charged to the statement of operations when sold. During the year, the total cost of sales was \$123 million (2022: \$113 million) including the effect of write-downs of \$1 million (2022: \$1 million). Write-downs occurred due to obsolete materials no longer used, damaged goods, and reductions in the market value of goods.

5. Due from Other Governments

	In Millions	
	2023	2022
	\$	\$
Government of Canada:		
Current	1,272	1,692
Provincial governments:		
Current	24	24
Local governments: ¹		
Current	60	58
Long-term	4	4
	1,360	1,778

¹Local governments are municipal units established by the provincial government which include regional and metropolitan municipalities, cities, towns, townships, districts, rural municipalities and villages.

**Notes to Consolidated Summary Financial Statements
for the Fiscal Year Ended March 31, 2023—Continued**

6. Due from Self-supported Crown Corporations and Agencies

	In Millions	
	2023	2022
	\$	\$
British Columbia Lottery Corporation	177	168
British Columbia Liquor Distribution Branch	71	43
UBC Properties Investments Ltd.	54	49
Columbia Power Corporation	47	47
British Columbia Hydro and Power Authority	44	13
SFU Community Trust	18	
Vancouver Island Technology Park Trust	7	7
Heritage Realty Properties Ltd.	3	4
	421	331

See Statement of Financial Position for Self-supported Crown Corporations and Agencies on pages 104 – 105 for details.

7. Equity in Self-supported Crown Corporations and Agencies

	In Millions				2022
	2023				
	Investments	Unremitted Earnings	Other Comprehensive Income	Total	
\$	\$	\$	\$	\$	
British Columbia Hydro and Power Authority	20	7,328	(58)	7,290	6,980
Insurance Corporation of British Columbia		3,151	603	3,754	3,709
Columbia Power Corporation	26	186		212	197
British Columbia Lottery Corporation		(17)	88	71	32
	46	10,648	633	11,327	10,918
Self-Supported Subsidiaries¹					
Columbia Basin Trust joint ventures ²	941	24		965	966
British Columbia Railway Company ³	107	130	(6)	231	238
Great Northern Way Campus Trust ⁴	72	(19)		53	55
UBC Properties Investments Ltd.		45		45	33
SFU Community Trust		13		13	8
Vancouver Island Technology Park Trust ⁵	1	(5)		(4)	1
Miscellaneous	1	3		4	4
	1,122	191	(6)	1,307	1,305
	1,168	10,839	627	12,634	12,223

Notes to Consolidated Summary Financial Statements
for the Fiscal Year Ended March 31, 2023—Continued

7. Equity in Self-supported Crown Corporations and Agencies—Continued

	In Millions				2022
	2023			Total	
	Investments	Unremitted Earnings	Other Comprehensive Income		
\$	\$	\$	\$	\$	
Change in Equity in Self-supported Crown Corporations and Agencies					
Balance—beginning of year	46	10,470	402	10,918	8,309
Increase (decrease) in other comprehensive income			231	231	(286)
Net earnings of self-supported Crown corporations and agencies		3,008		3,008	5,342
Dividends		(2,576)		(2,576)	(2,230)
Adjustments to dividends		(254)		(254)	(217)
Balance—end of year	46	10,648	633	11,327	10,918
Self-Supported Subsidiaries¹					
Balance—beginning of year	1,121	190	(6)	1,305	1,323
Increase (decrease) in investment	1			1	
Increase (decrease) in other comprehensive income					(1)
Net earnings of self-supported Crown corporations and agencies		90		90	82
Dividends		(106)		(106)	(102)
Transfers (to) from deferred revenue		17		17	3
Balance—end of year	1,122	191	(6)	1,307	1,305
	1,168	10,839	627	12,634	12,223

¹Self-supported subsidiaries are non-core government business enterprises that are consolidated under the modified equity method by taxpayer-supported organizations.

²Brilliant Power Corporation, Brilliant Expansion Power Corporation, Arrow Lakes Power Corporation and Waneta Expansion Power Corporation are jointly controlled with Columbia Power Corporation.

³A subsidiary of BC Transportation Financing Authority.

⁴Great Northern Way Campus Trust is owned 25% each by Emily Carr University of Art & Design, British Columbia Institute of Technology, The University of British Columbia, and Simon Fraser University.

⁵A subsidiary of the University of Victoria.

See Statement of Financial Position for Self-supported Crown Corporations and Agencies and Summary of Results of Operations and Statement of Equity for Self-supported Crown Corporations and Agencies on pages 104 – 107 for details.

**Notes to Consolidated Summary Financial Statements
for the Fiscal Year Ended March 31, 2023—Continued**

8. Loans, Advances and Mortgages Receivable

	In Millions	
	2023	2022
	\$	\$
Loans and Advances		
Land tax deferral loans	1,900	1,669
Construction loans to social housing projects	1,222	927
BC student loans	1,120	1,094
Note receivable	618	610
Miscellaneous	211	189
	5,071	4,489
Provision for doubtful accounts	(324)	(303)
	4,747	4,186
Mortgages Receivable		
Reconstruction Program	17	18
Provision for doubtful accounts	(1)	(5)
	16	13
	4,763	4,199

The Land Tax Deferral Program allows eligible owners to defer payment of all, or a portion of, annual property taxes due on principal residences. Eligible individuals are either 55 years of age or older, a surviving spouse, a person with a disability, or an owner who is financially supporting, at the time of application, a dependent child. The program for individuals 55 years of age or older, a surviving spouse, or a person with a disability, requires 25% equity in the home. The program for families with dependent children requires 15% equity in the home. Simple interest is charged on the deferred taxes at a rate set by the minister of finance. This rate will not exceed the prime lending rate of the principal banker to the government and there is a different interest rate between the two programs. The deferred taxes, plus any administration fees or outstanding interest, must be repaid before the residence can be legally transferred to a new owner, other than directly to a surviving spouse or adding a current spouse to title. Land Tax Deferral Loans are secured by registered charge on title.

Construction loans are provided by British Columbia Housing Management Commission (BCHMC), a taxpayer-supported Crown corporation and an approved lender under the *National Housing Act*. BCHMC provides construction loans for societies that are building approved projects under social housing programs. Interest is payable at the province's weighted average borrowing rate for short-term funds, plus administration costs. Loans are repaid at substantial completion of each project from financing arranged with private lenders.

The BC Student Loan Program provides funding in the form of interest-free repayable loans to students for post secondary education leading toward a credential. Amortization of the loans is set on repayment commencement by the borrower. Most periods are 114 months in length but borrowers can extend that amortization to a maximum of 174 months if minimum payment requirements have been met. Defaulted loans are due on demand. The Ministry of Finance also administers defaulted student loans issued by financial institutions under a guaranteed or a risk sharing agreement with the province.

The note receivable is due to a sale of property by Providence Health Care Society.

Miscellaneous loans include housing and other loans receivable issued by The University of British Columbia of \$48 million (2022: \$42 million) in accordance with the University's Housing Action Plan, bearing interest of nil or at the Canada Revenue Agency's prescribed interest rate, with maturities up to 30 years, commercial loans of \$33 million (2022: \$25 million) issued by Columbia Basin Trust bearing interest of 3.65% to 10.20% maturing by 2048 and loans of \$19 million (2022: \$20 million) issued by University of Victoria to subsidiary government business enterprises bearing interest of 5.13% to 8.70% maturing by 2030.

**Notes to Consolidated Summary Financial Statements
for the Fiscal Year Ended March 31, 2023—Continued**

8. Loans, Advances and Mortgages Receivable—Continued

The Reconstruction Loan Program was established in 1998 under the *Homeowner Protection Act* to provide financial assistance to British Columbians who own homes damaged by premature building envelope failure and have limited ability to secure financing to pay for necessary remediation work. The financial assistance includes interest free loans as well as guarantees and interest subsidies of those loans provided by lenders outside of the government reporting entity. No new applicants under the program were being accepted after July 31, 2009. Financial assistance is secured by registered mortgages.

9. Other Investments

	In Millions	
	2023	2022
	\$	\$
Pooled investment portfolios	2,804	2,622
Equity investments	637	459
Municipal, corporate and other bonds	133	132
British Columbia Ferry Services Inc.	75	75
Provincial government bonds	70	86
Government of Canada bonds	17	7
Commercial loans and investments	14	11
Miscellaneous	621	552
	4,371	3,944

Investments in equities and bonds traded on active markets and certain other investments are recognized at fair market value.¹ All other investments are recognized at cost.

Pooled investment portfolios consist mainly of units in various funds of the British Columbia Investment Management Corporation. These funds' investments consist primarily of debt and equity holdings of privately held companies. Pooled investment portfolios have a market value of \$2,811 million (2022: \$2,748 million).

Equity investments have a historical cost of \$417 million. They include investments in Canadian, United States (U.S.) and international equity markets.

Municipal, corporate and other bonds have a historical cost of \$138 million with yields ranging from 1.09% to 7.96%. Maturity dates range from April 4, 2023 to May 26, 2082.

As part of a secured debenture amendment and preferred share surrender agreement dated May 23, 2003, the province exchanged its interest in British Columbia Ferry Corporation for 75,477 preferred shares in British Columbia Ferry Services Inc. These non-voting preferred shares are valued at \$1,000 per share and entitle the province to a fixed cumulative dividend at a rate of 8% of the issue price.

Provincial bonds of various provinces have a historical cost of \$77 million with yields ranging from 0.00% to 7.60%. Maturity dates range from April 17, 2024 to December 2, 2051.

Government of Canada bonds have a historical cost of \$17 million with yields ranging from 0.25% to 5.75%. Maturity dates range from June 15, 2024 to December 1, 2064.

Commercial loans and investments are recorded at the lower of cost of acquisition adjusted by attributed income and market value. Commercial loans and investments include Columbia Basin Trust's \$14 million (2022: \$11 million) investment in power developments and other investments.

Miscellaneous investments consist of other pooled funds as well as various forms of income securities, notes and treasury bills. The market value of miscellaneous investments is \$621 million (2022: \$676 million).

¹The fair market value recognition of investments began in fiscal 2023. In fiscal 2022 all investments were recognized at cost.

**Notes to Consolidated Summary Financial Statements
for the Fiscal Year Ended March 31, 2023—Continued**

10. Sinking Fund Investments

	In Millions	
	2023	2022
Sinking fund investments related to taxpayer-supported debt	\$ 219	\$ 230
Sinking fund investments related to self-supported debt	302	280
	521	510

	In Millions	
	2023	2022
Provincial government bonds	\$ 515	\$ 490
Pooled investment portfolios	1	15
Local government bonds	5	5
	521	510

Provincial bonds of various provinces have a historical cost of \$532 million, with yields ranging from 3.43% to 4.94%. Maturity dates range from April 17, 2023 to June 18, 2050.

Pooled investment portfolios have a historical cost of \$1 million. These pooled investment portfolios consist of units in the British Columbia Investment Management Corporation's bond funds, which mainly consist of various governments' bonds and short-term unitized funds that hold money market instruments.

Local government bonds have a historical cost of \$5 million, with yields of 4.49%. Maturity date is November 30, 2023. Local government bonds mainly consist of debt issued by the Municipal Finance Authority of British Columbia.

Sinking fund investments related to self-supported debt include Province of British Columbia bonds with a carrying value of \$104 million (2022: \$103 million).

Sinking fund investments are recorded at fair market value¹.

¹The fair market value recognition of investments began in fiscal 2023. In fiscal 2022 all investments were recognized at cost.

11. Loans for Purchase of Assets, Recoverable from Agencies

	In Millions	
	2023	2022
British Columbia Hydro and Power Authority	\$ 26,796	\$ 25,850
Columbia Basin Trust joint ventures ¹	945	958
Columbia Power Corporation	261	266
British Columbia Lottery Corporation	140	140
Improvement districts	3	4
	28,145	27,218

¹Columbia Basin Trust joint ventures with Columbia Power Corporation (Brilliant Power Corporation, Brilliant Expansion Power Corporation, Arrow Lakes Power Corporation, and Waneta Expansion Power Corporation).

**Notes to Consolidated Summary Financial Statements
for the Fiscal Year Ended March 31, 2023—Continued**

12. Accounts Payable and Accrued Liabilities

	In Millions	
	2023	2022
Accounts payable	\$ 9,672	\$ 7,676
Other accrued estimated liabilities ¹	5,090	3,936
Asset retirement obligations ²	1,870	1,717
Accrued interest on debt	754	731
	<u>17,386</u>	<u>14,060</u>

¹Includes pending litigation, provision for guaranteed debt payout and other miscellaneous accrued claims as disclosed in Note 28.

²See Asset Retirement Obligations disclosed in Note 36.

13. Employee Future Benefits

	In Millions	
	2023	2022
Vacation, compensatory time off, sick bank	\$ 1,493	\$ 1,425
Retirement allowance	831	804
Long-term disability	469	420
Post-retirement benefits	222	239
Worker compensation benefits	219	187
	<u>3,234</u>	<u>3,075</u>

There are a variety of employee benefit plans across the reporting entity with different terms that provide for post-employment benefits, compensated absences, and termination benefits. The cost of benefits is recognized in the periods the employee provides service. A liability is recognized for benefits that do not vest or accumulate when an event that obligates the province to pay benefits occurs.

The retirement allowance includes actuarially determined liabilities. As at March 31, 2023, unamortized actuarial losses (gains) from actuarial estimates performed every three years were \$17 million (2022: \$22 million). During the year, the amount of benefits paid was \$53 million (2022: \$67 million).

Amounts recorded in the financial statements relating to long-term disability benefits represents the actuarial estimate for future payments based on claims ongoing at year-end.

Post-retirement benefits include amounts accrued for non-pension retiree and early retirement benefits.

Worker compensation benefits represent the actual premiums and claims costs accruing to WorkSafeBC for the year.

**Notes to Consolidated Summary Financial Statements
for the Fiscal Year Ended March 31, 2023—Continued**

14. Due to Other Governments

	In Millions	
	2023	2022
	\$	\$
Government of Canada:		
Current	2,760	577
Provincial governments:		
Current	17	26
Local governments: ¹		
Current	331	70
	3,108	673

¹ Local governments are municipal units established by the provincial government that include regional and metropolitan municipalities, cities, towns, townships, districts, rural municipalities and villages.

15. Due to Crown Corporations, Agencies and Trust Funds

	In Millions	
	2023	2022
	\$	\$
Columbia Basin Trust joint ventures ¹	619	627
Great Northern Way Campus Trust	9	9
Trust funds	15	65
	643	701

¹ Columbia Basin Trust joint ventures with Columbia Power Corporation (Brilliant Power Corporation, Brilliant Expansion Power Corporation, Arrow Lakes Power Corporation, and Waneta Expansion Power Corporation).

16. Deferred Revenue

	In Millions	
	2023	2022
	\$	\$
Deferred restricted contributions (<i>see table</i>)	11,953	10,342
Unearned lease revenue	1,297	1,265
Tuition	680	603
Motor vehicle licences and permits	308	301
Petroleum, natural gas and minerals, leases and fees	172	249
Water rentals and recording fees	135	124
Derivative debt instruments		64
Miscellaneous	460	431
	15,005	13,379

Unearned lease revenue represents lease payments received in advance. Revenue is recognized as the performance obligations are met over the term of the lease.

**Notes to Consolidated Summary Financial Statements
for the Fiscal Year Ended March 31, 2023—Continued**

16. Deferred Revenue—Continued

Petroleum, natural gas and minerals, leases and fees include payments received from external sources to obtain exclusive subsurface tenure rights to explore for, or produce, petroleum and natural gas resources. Revenue is recognized over the average term of the tenures issued, currently estimated at 10 years.

Deferred Restricted Contributions are those contributions received from external sources that are restricted through legislative or contractual stipulations for the purpose of program delivery. These deferred contributions are reduced and recognized as revenue when the stipulations of the contribution agreement are satisfied.

	Revenue Recognition (Years)	In Millions	
		2023 \$	2022 \$
Restricted Contributions from the Federal Government			
Build Canada fund for highway and transportation infrastructure	3–100	2,141	2,037
Infrastructure and economic diversification	20–50	880	691
Operating contributions for other sectors	1–12	744	589
Emergency response and recovery assistance	1–12	695	
Operating contributions for the education sector	1–12	553	560
Strategic infrastructure fund investments in post–secondary institutions	3–40	399	362
Miscellaneous contributions for post–secondary institutions	1–40	72	83
Regional services and facilities in the health sector	3–40	41	20
Miscellaneous contributions for transportation infrastructure	1–40	12	81
Other	1–40	2	83
Restricted Contributions from Municipal Sources			
Regional hospital districts for equipment and facilities	3–40	1,345	1,279
Bylaw capital funding for schools	3–40	162	144
Operating contributions for the transportation sector	1–12	94	114
Municipal transportation infrastructure funding	3–77	69	67
Restricted Contributions from Other Sources			
Health endowments and other contributions	5–50	2,159	2,038
Education endowments	30	1,685	1,290
Operating contributions for the education sector	1–12	590	587
Operating contributions for the health sector	1–12	71	125
Operating contributions for the other sector	1–12	29	16
Miscellaneous contributions from other sources	5–50	210	176
		11,953	10,342

Impact to revenue for the next five fiscal years and thereafter is estimated to be:

	In Millions \$
2024	2,775
2025	864
2026	594
2027	576
2028	1,365
Thereafter	5,779
Total deferred restricted contributions	11,953

**Notes to Consolidated Summary Financial Statements
for the Fiscal Year Ended March 31, 2023—Continued**

17. Employee Pension Plans

Joint trustee plans

The province contributes to four pension plans for substantially all of its employees. The four pension plans are the Public Service Pension Plan, the Municipal Pension Plan, the Teachers' Pension Plan and College Pension Plan. The plans provide basic pensions based on length of service, highest five-year average earnings and plan members' age at retirement. Benefits, such as group health benefits and inflation protection for the basic pension, are not guaranteed and are contingent upon available funding. No unfunded liability exists for the future indexing of pensions as the obligation is limited to the amount of available assets in separate inflation accounts.

The Public Service, Municipal, Teachers' and College pension plans are joint trustee plans. In joint trustee plans, control of the plans and their assets is assumed by individual pension boards made up of plan employer and plan member appointed trustees. The Province participates as a plan employer in each plan. Provisions of these plans stipulate that the province has no formal claim to any pension plan surplus or asset. The boards are fully responsible for the management of the plans, including investment of the assets and administration of the plans. The BC Pension Corporation provides benefit administrative services as an agent of the boards of trustees. The British Columbia Investment Management Corporation provides investment management services as an agent of the boards of trustees.

In the event an unfunded liability is determined by an actuarial valuation (performed at least every three years), the pension boards are required to address it through contribution adjustments shared equally by plan members and employers.

The reported net assets or net obligations of the pension plans are administered under joint trust arrangements. The province has no claim on accrued asset amounts. The province is responsible for 50% of a reported net obligation. Settlement of the obligation will occur in future periods as contributions maintain a fully funded plan status over time. Also, only 70% of the pension fund assets, accrued benefit obligation, and preliminary current year employer contributions are included for the Municipal Pension Plan, reflecting the province's interest in the plan.

The accrued benefit obligations and pension assets shown for 2022/23 are based on extrapolations of the most recent actuarial valuations as shown below. Fund assets are based on market-related value at the date of actuarial valuation and extrapolated using actuarial growth assumptions as shown in the following table. The expected long-term inflation rates used in these assumptions are nil, since the future indexing of pensions is limited to the amount of available assets in the inflation adjustment account.

Key actuarial assumptions, data and dates:

	Public Service Pension Plan	Municipal Pension Plan	Teachers' Pension Plan	College Pension Plan
Date of actuarial valuation	Mar 31/20	Dec 31/21	Dec 31/20	Aug 31/21
Date of audited financial statements	Mar 31/22	Dec 31/21	Dec 31/21	Aug 31/22
Expected long-term rate of return used as discount rate	6.00%	6.00%	5.75%	6.00%
Expected average remaining service life of employee group	9.9 years	10.5 years	12.1 years	8.7 years
Normal actuarial cost used in extrapolations	15.76%	16.80%	17.24%	17.39%
Basic benefits paid during the plan's fiscal year (in millions)	\$1,244	\$2,191	\$1,309	\$248
Total contribution rate for basic benefits (members and employers)	14.20%	15.08%	16.34%	16.88%
Assumed rate of salary escalation	3.25%	3.25%	3.25%	3.25%
Current benefit accrual rate	1.95%	1.90–2.12%	1.90%	2.00%
Entry-age normal cost rate—basic account	15.26%	15.49%	17.01%	16.83%
Market value of plan net assets at latest financial statement date (in millions)	\$31,299	\$42,526	\$30,521	\$5,130

Actuarial assumptions are decisions of the individual pension boards and have been collected from the latest audited financial statements and actuarial valuation of each pension plan. The audited financial statements and actuarial valuations of each pension plan listed, except the Account, may be found in the annual reports at www.pensionsbc.ca outside these audited statements.

**Notes to Consolidated Summary Financial Statements
for the Fiscal Year Ended March 31, 2023—Continued**

17. Employee Pension Plans—Continued

Accrued net obligation (asset) table:

The estimated financial position as at March 31, 2023, for the basic pension in each joint trustee plan is as follows:

	In Millions				
	Public Service Pension Plan	Municipal Pension Plan	Teachers' Pension Plan	College Pension Plan	Total
	\$	\$	\$	\$	\$
Accrued benefit obligation	24,616	35,281	24,429	4,955	89,281
Pension fund assets	28,451	42,444	27,871	5,478	104,244
	(3,835)	(7,163)	(3,442)	(523)	(14,963)
Unamortized actuarial gain (loss)	827	3,594	2,455	168	7,044
Accrued net obligation (asset)	(3,008)	(3,569)	(987)	(355)	(7,919)
Attributable to the province	(1,504)	(1,784)	(494)	(177)	(3,959)
Valuation adjustment	1,504	1,784	494	177	3,959
Province's reported net obligation	0	0	0	0	0

The province is obligated under labour contracts to provide retirement benefits for its employees through contributions to these pension plans. Contribution rates are adjusted to reflect the results of the triennial actuarial valuation of each plan. The province contributes approximately 50% of the total contributions for these plans; therefore, the province's accrued net obligation is 50%. An accrued net obligation will not result in a payment to the plan, but will be addressed through increased contributions over time.

The preliminary overall fund rates of return (loss) reported to the pension boards as at December 31, 2022 for each plan are: the Public Service Pension Plan (3.2%) (2022: 12.3%), the Municipal Pension Plan (3.4%) (2022: 11.5%), the Teachers' Pension Plan (3.3%) (2022: 11.7%), and the College Pension Plan (4.1%) (2022: 12.8%).

The province's share includes contributions for all participants in the government reporting entity. When the plans are in an accrued net asset position for accounting purposes, pension expense for the period is equal to employer contributions. Total employer contributions this year for each plan are: the Public Service Pension Plan \$514 million (2022: \$478 million), the Municipal Pension Plan \$954 million (2022: \$938 million), the Teachers' Pension Plan \$428 million (2022: \$406 million), and the College Pension Plan \$125 million (2022: \$121 million).

Members of the Legislative Assembly Superannuation Account

The Legislative Assembly Superannuation Account (the "Account") is administered by the British Columbia Pension Corporation (the "BC Pension Corporation"). As members of the Legislative Assembly retire, the present value of the amount required to provide a legislative member's future pension benefit is transferred from the Account to the Public Service Pension Plan from which monthly pensions are paid. The province contributes to this plan and provides additional funding when the present value of the funding exceeds the accumulated assets in the Account available to fund those members' benefit entitlements in the plan. This plan provides basic pension benefits based on length of service, highest four-year average earnings and plan members' age at retirement. Benefits, such as group health benefits and inflation protection for the basic pension, are not guaranteed and are contingent upon available funding.

**Notes to Consolidated Summary Financial Statements
for the Fiscal Year Ended March 31, 2023—Continued**

17. Employee Pension Plans—Continued

Other pension plans

Other pension plans represent defined benefit plans outside of the College, Public Service, Municipal, and Teachers' Pension plans which are funded by entities within the government reporting entity and are included in other investments in Note 9. Total employer contributions this year for each plan are: Simon Fraser University's Academic Pension Plan and Administrative/Union Pension Plan \$29 million (2022: \$25 million), the University of Victoria's pension plan for employees other than faculty and professional staff \$6 million (2022: \$6 million), and Canadian Blood Services' pension plan for regular employees \$2 million (2022: \$2 million). Only 14.67% of the pension fund assets and accrued benefit obligation are included for the Canadian Blood Services pension plan, reflecting the province's interest in the plan.

The estimated financial position as at March 31, 2023, for the other pension plans is as follows:

	In Millions			
	Simon Fraser University Pension Plan	University of Victoria Pension Plan	Canadian Blood Services Pension Plan	Total
	\$	\$	\$	\$
Accrued benefit obligation	430	273	78	781
Pension fund assets	485	315	79	879
	(55)	(42)	(1)	(98)
Unamortized actuarial gain (loss)	(43)	(3)		(46)
Accrued net obligation (asset)	(98)	(45)	(1)	(144)

There are additional employee pension plans in Crown corporations and agencies consolidated on the modified equity basis. Total employer contributions this year for each plan are: British Columbia Hydro and Power Authority \$51 million (2022: \$51 million), British Columbia Lottery Corporation \$14 million (2022: \$13 million), and the Insurance Corporation of British Columbia (ICBC) \$38 million (2022: \$38 million). Net assets or net liabilities of the pension funds are included in the equity balance of the particular Crown corporation or agency in Note 7.

The estimated financial position as at March 31, 2023, for the pension plans of commercial Crown corporations is as follows:

	In Millions				
	BC Hydro Pension Plan	ICBC Pension Plan	BC Lottery Pension Plan	BC Railway Pension Plan	Total
	\$	\$	\$	\$	\$
Accrued benefit obligation	5,141	2,542	359	19	8,061
Pension fund assets	4,581	2,720	396	16	7,713
Accrued net obligation (asset)	560	(178)	(37)	3	348

**Notes to Consolidated Summary Financial Statements
for the Fiscal Year Ended March 31, 2023—Continued**

18. Taxpayer-supported Debt¹

In Millions					
Year of Maturity	Canadian Dollar	US Dollar ²	Other Currencies ²	2023	2022
	\$	\$	\$	\$	\$
Short-term promissory notes					
2023				0	4,908
2024	2,252	1,267		3,519	0
Notes, bonds and debentures ³					
2023				0	3,709
2024	3,338			3,338	3,325
2025	1,517	1,663	712	3,892	3,898
2026	3,835		350	4,185	4,119
2027	1,090	4,110	170	5,370	5,367
2028	2,081			2,081	2,061
2029–2033	12,618	2,224	392	15,234	13,701
2034–2038	3,162		209	3,371	3,372
2039–2043	5,073		502	5,575	5,588
2044–2048	1,945		340	2,285	2,134
2049–2053	8,336		1,245	9,581	9,330
2054–2058	1,130			1,130	130
2059–2063	181			181	181
2064–2068				0	0
Capital leases					
2023–2048	262			262	264
Total debt issued at face value	46,820	9,264	3,920	60,004	62,087
Unamortized premium				144	478
Unrealized foreign exchange (gain) loss ⁴				416	
Total taxpayer-supported debt				60,564	62,565

The effective interest rates (weighted average) as at March 31 on the above debt are:

2023	3.47%
2022	3.13%

¹The balances and interest rates reflect the impact of the related derivative contracts, presented in Note 20.

²Foreign currency denominated debt as at March 31, 2023 includes USD\$7,186 million which was fully hedged to CAD\$9,264 million; 100 million Swiss Francs was fully hedged into CAD\$96 million; 1,908 million EURO was fully hedged to CAD\$2,807 million, \$1,018 million AUD was fully hedged to CAD\$1,017 million.

³Notes, bonds, and debentures includes \$24 million (2022: \$26 million) in other loans.

⁴The foreign currency denominated debt adjustment to exchange rates as at March 31, 2023, includes USD\$7,186 million converted to CAD\$9,724 million; 100 million Swiss Francs converted into CAD\$148 million; 1,908 million EURO converted to CAD\$2,806 million; and \$1,018 million AUD converted to CAD\$922million.

**Notes to Consolidated Summary Financial Statements
for the Fiscal Year Ended March 31, 2023—Continued**

18. Taxpayer-supported Debt—Continued

Notes, bonds and debentures

Redeemable by the province

Balances include debentures issued to the Canada Pension Plan totalling \$2,459 million (2022: \$2,823 million) at a weighted average interest rate of 4.25% (2022: 4.49%). These debentures mature at various dates from April 7, 2023 to July 12, 2049 with interest rates varying between 1.98% and 5.98%. These debentures are redeemable in whole or in part before maturity, on thirty days prior notice, at the option of the province. During the year, no Canada Pension Plan debentures were issued (2022: \$103 million).

Public-private partnership obligations

Balances include the present value of the minimum payments related to tangible capital assets financed by public-private partnership agreements totalling \$3,369 million (2022: \$3,400 million).

Mortgages

Balances include mortgages totalling \$191 million (2022: \$191 million) secured by land and buildings. The carrying value is \$260 million (2022: \$273 million).

Aggregate payments to meet sinking fund instalments and retirement provisions

Aggregate payments for the next five fiscal years and thereafter to meet sinking fund instalments and retirement provisions on notes, bonds and debentures are:

	In Millions
	\$
2024	3,734
2025	3,904
2026	4,182
2027	5,337
2028	2,071
2029–2068	37,196
Total of stated minimum payments	56,424

Capital Lease Obligations

Capital lease obligations consist of the present value of the minimum lease payments related to capital leased assets. The province has lease agreements with terms between 2 years and 42 years, with interest rates ranging between nil and 25.00%.

Major leases include: Vancouver Coastal Health Authority capital lease obligation for the Gordon and Leslie Diamond Health Care Centre of \$92 million (2022: \$95 million), with a weighted average interest rate of 5.37% and maturing August 1, 2036, Ministry of Citizens' Services capital lease obligation for office space in Capital Park of \$87 million (2022: \$91 million), with a weighted average interest rate of 3.97% and maturing March 1, 2040, Thompson Rivers University lease agreements for land and student residences of \$34 million (2022: \$35 million), with a weighted average interest rate of 5.14% and maturing August 31, 2047, and British Columbia Institute of Technology capital lease obligation for the building at Annacis Island Campus of \$22 million (2022: \$15 million), with a weighted average interest rate of 4.00% and maturing July 31, 2044.

**Notes to Consolidated Summary Financial Statements
for the Fiscal Year Ended March 31, 2023—Continued**

18. Taxpayer-supported Debt—Continued

Aggregate payments to meet capital lease payments

Aggregate minimum lease payments over the next five fiscal years and thereafter are:

	<u>In Millions</u>
	\$
2024	32
2025	29
2026	25
2027	23
2028	22
2029–2048	<u>248</u>
Total minimum lease payments	379
Less imputed interest	<u>(117)</u>
Total capital lease liability	<u>262</u>

**Notes to Consolidated Summary Financial Statements
for the Fiscal Year Ended March 31, 2023—Continued**

19. Self-supported Debt¹

In Millions					
Year of Maturity	Canadian Dollar	US Dollar ²	Other Currencies ²	2023	2022
	\$	\$	\$	\$	\$
Short-term promissory notes				0	2,939
				2,928	0
Notes, bonds and debentures	2,181	747		0	500
	200			200	200
				0	0
	900	648	391	1,939	1,923
	850			850	850
	1,000			1,000	1,000
	6,510		200	6,710	5,735
		378		378	370
	3,273			3,273	3,273
	2,900			2,900	2,900
	8,106			8,106	7,356
	60			60	60
	50			50	50
Total debt issued at face value	<u>26,030</u>	<u>1,773</u>	<u>591</u>	28,394	27,156
Unamortized premium (discount)				(118)	46
Unrealized foreign exchange (gain) loss ³				56	7
Total self-supported debt				<u>28,332</u>	<u>27,209</u>

The effective interest rates (weighted average) as at March 31 on the above debt are:

2023	3.20%	
2022		3.12%

¹The balances and interest rates reflect the impact of the related derivative contracts, presented in Note 20.

²Foreign currency denominated debt as at March 31, 2023 includes USD\$1,351 million (CAD\$1,773 million), of which USD\$1,124 million was fully hedged to CAD\$1,466 million and USD\$227 million was unhedged (CAD\$307 million), and 402 million EURO was fully hedged to CAD\$591 million.

³The foreign currency denominated debt adjustment to exchange rates as at March 31, 2023, includes USD\$1,351 million converted to CAD\$1,828 million; and 402 million EURO converted to CAD\$592 million.

Notes, bonds and debentures

Redeemable by the province

Balances include debentures issued to the Canada Pension Plan totalling \$223 million (2022: \$223 million) at a weighted average interest rate of 3.34% (2022: 3.34%). These debentures mature at various dates from May 8, 2042 to July 10, 2042, with interest rates varying between 3.22% and 3.54%. These debentures are redeemable in whole or in part before maturity, on thirty days prior notice, at the option of the province. During the year, no Canada Pension Plan debentures were issued (2022: nil).

**Notes to Consolidated Summary Financial Statements
for the Fiscal Year Ended March 31, 2023—Continued**

19. Self-supported Debt—Continued

Aggregate payments to meet retirement provisions

Aggregate payments for the next five fiscal years and thereafter to meet retirement provisions on notes, bonds and debentures are:

	In Millions
	\$
2024	200
2025	0
2026	1,939
2027	850
2028	1,000
2029–2063	21,477
Total of stated minimum payments	<u>25,466</u>

20. Risk Management and Derivative Financial Instruments

The province borrows funds in both domestic and foreign capital markets, and manages its existing debt portfolio to achieve the lowest debt costs within specified risk parameters. As a result, the province is exposed to risks associated with fluctuations in interest rates, foreign exchange rates, and credit risk. In accordance with the risk management policy guidelines set by the Risk Committee of the Ministry of Finance, the province uses a variety of derivative financial instruments to hedge the exposure to these risks.

Debt at amortized cost includes the impacts of the related derivative contracts. Derivatives used by the province include interest rate swaps, cross-currency swaps, and forward foreign exchange contracts. A derivative instrument is a financial contract with a counterparty that is applied to hedge against interest rate or foreign exchange exposure that exists in the underlying provincial debt instrument. A derivative derives value from the impact of market changes on the underlying hedged debt instrument. The fair value of derivatives is reported in the statement of financial position and in the statement of remeasurement gains and losses, as detailed in the following table.

Derivative Financial Instruments (Market Values)

	In Millions
	2023
	\$
Taxpayer-supported derivative assets	419
Self-supported derivative assets	244
Derivative assets	<u>663</u>
Taxpayer-supported derivative liabilities	(972)
Self-supported derivative liabilities	(59)
Derivative liabilities	<u>(1,031)</u>
Total derivative financial instruments	<u>(368)</u>

**Notes to Consolidated Summary Financial Statements
for the Fiscal Year Ended March 31, 2023—Continued**

20. Risk Management and Derivative Financial Instruments—Continued

The following tables present maturity schedules of the province's derivatives, based on the notional amounts of the contracts. Cross-currency swaps can have an exchange of the notional amounts at the start of the contract, the end of the contract, or both. There is no exchange of the notional amounts in interest rate swaps.

Taxpayer-supported Portfolios (Notional Values)

In Millions				
Year of Maturity	Cross- Currency Swaps ¹	Interest Rate Swaps ¹	Forward Foreign Exchange Contracts ¹	Total
	\$	\$	\$	\$
2024	41	132	1,267	1,440
2025	2,375	2		2,377
2026	350	100		450
2027	4,280	321		4,601
2028		103		103
2029–2033	2,616	472		3,088
2034–2038	209	127		336
2039–2043	502	100		602
2044–2048	340	200		540
2049–2053	1,245	400		1,645
2054–2058		78		78
Total	11,958	2,035	1,267	15,260

¹At March 31, 2023, fair market valuation was an unrealized loss of \$512 million (2022: \$117 million loss) on cross-currency swaps, and an unrealized loss of \$40 million (2022: \$117 million gain) on interest rate swaps, and an unrealized loss of \$1 million (2022: \$15 million loss) on forward foreign exchange contracts. These unrealized gains and losses are incurred on derivatives held in matched hedging arrangements with related debt instruments. The unrealized gains or losses on these hedging derivatives are offset by corresponding unrealized gains or losses on the matched debt instruments. These gains and losses are subject to measurement uncertainty.

**Notes to Consolidated Summary Financial Statements
for the Fiscal Year Ended March 31, 2023—Continued**

20. Risk Management and Derivative Financial Instruments—Continued

Self-supported Portfolios (Notional Values)

In Millions				
Year of Maturity	Cross- Currency Swaps ²	Interest Rate Swaps ²	Forward Foreign Exchange Contracts ²	Total
	\$	\$	\$	\$
2024			747	747
2025				0
2026	391		436	827
2027				0
2028				0
2029–2033	200			200
2034–2038		1,325	283	1,608
2039–2043				0
2044–2048				0
2049–2053				0
2054–2058		1,550		1,550
Total	591	2,875	1,466	4,932

²At March 31, 2023, fair market valuation was an unrealized loss of \$31 million (2022: \$27 million loss) on cross currency swaps, an unrealized gain of \$184 million (2022: \$130 million gain) on interest rate swaps, no unrealized gain or loss (2022: \$50 million gain) on advanced rate setting agreements, and an unrealized gain of \$33 million (2022: \$6 million gain) on forward foreign exchange contracts. These unrealized gains and losses are incurred on derivatives held in matched hedging arrangements with related debt instruments that are held to maturity. The unrealized gains or losses on these hedging derivatives are offset by corresponding unrealized gains or losses on the matched debt instruments. These gains and losses are subject to measurement uncertainty.

**Notes to Consolidated Summary Financial Statements
for the Fiscal Year Ended March 31, 2023—Continued****20. Risk Management and Derivative Financial Instruments—Continued****Undiscounted Cashflows for Derivative Instruments¹**

Year of Maturity	In Millions						Forward Foreign Exchange Contracts Principal Outflows	Forward Foreign Exchange Contracts Principal Inflows
	Cross– Currency Swaps Principal Outflows	Cross– Currency Swaps Principal Inflows	Cross– Currency Swaps Interest Outflows	Cross– Currency Swaps Interest Inflows	Interest Rate Swaps Interest Outflows	Interest Rate Swaps Interest Inflows		
	\$	\$	\$	\$	\$	\$		
2024	(41)	37	(290)	185	(96)	72	(2,014)	2,012
2025	(2,375)	2,326	(264)	171	(72)	65		
2026	(741)	735	(211)	129	(53)	64	(436)	464
2027	(4,280)	4,552	(157)	95	(43)	60		
2028			(120)	65	(36)	57		
2029–2033	(2,816)	3,018	(539)	255	(160)	170		
2034–2038	(209)	221	(371)	118	(149)	105	(283)	311
2039–2043	(502)	515	(292)	80	(124)	75		
2044–2048	(340)	338	(186)	46	(72)	58		
2049–2053	(1,245)	1,221	(51)	13	(5)	5		
Total	(12,549)	12,963	(2,481)	1,157	(810)	731	(2,733)	2,787

¹Undiscounted cash inflows and outflows of the Province's cross currency swaps, interest rate swaps, and forward foreign exchange contracts. Future foreign payments paid or received are converted to Canadian dollars using the March 31, 2023 foreign exchange rates.

Interest rate risk

Interest rate risk is the risk that the province's debt servicing costs will fluctuate due to changes in interest rates. The province uses derivative contracts (interest rate swaps) to manage interest rate risk by exchanging a series of interest payments and assuming either a fixed or floating rate liability to a counterparty, based on the notional principal amount. Derivatives allow the province to alter the proportion of its debt held in fixed and floating rate form to take advantage of changes in interest rates.

The government's current policy guidelines with respect to the provincial government direct debt portfolio, which totals \$36,751 million (2022: \$43,533 million), allow floating rate exposure up to 45.00% (2022: 45.00%) of this portion of the taxpayer-supported debt. At March 31, 2023, floating rate debt exposure was 14.23% (2022: 16.08%) of the government direct debt portfolio.

Under current policy guidelines for British Columbia Hydro and Power Authority (BC Hydro), the maximum floating rate exposure is 25.00% (2022: 25.00%) of their debt which totals \$26,667 million (2022: \$25,569 million). At March 31, 2023, floating rate debt exposure for BC Hydro was 10.80% (2022: 12.70%) of their debt.

Based on the taxpayer-supported and self-supported debt portfolios at March 31, 2023, a one percent change in interest rates would impact the annual debt servicing expense by \$68 million (2022: \$87 million) for the taxpayer-supported debt portfolio and \$29 million (2022: \$29 million) for the self-supported debt portfolio.

At March 31, 2023, swap agreements relating to investments held by taxpayer-supported portfolios included interest rate swaps totalling \$44 million (2022: \$44 million).

**Notes to Consolidated Summary Financial Statements
for the Fiscal Year Ended March 31, 2023—Continued**

20. Risk Management and Derivative Financial Instruments—Continued

Foreign exchange risk

Foreign exchange risk is the risk that the province's debt servicing costs and principal payments will fluctuate due to changes in foreign exchange rates. The province uses derivative contracts (cross-currency swaps) to hedge foreign exchange risk by converting foreign currency principal and interest cash flows into Canadian dollar cash flows.

The government's current policy guidelines with respect to the provincial government direct debt portfolio, which totals \$36,751 million (2022: \$43,533 million), allow unhedged foreign debt exposure up to 10.00% (2022: 10.00%) of this portion of the taxpayer-supported debt. At March 31, 2023, there was no unhedged foreign debt exposure of the government direct debt portfolio (2022: nil).

Under current policy guidelines for BC Hydro, the maximum unhedged foreign debt exposure is 5.00% (2022: 5.00%) of its debt, which totals \$26,667 million (2022: \$25,569 million). At March 31, 2023, 0.00% (2022: 0.00%) of its debt was in the form of unhedged foreign debt in US dollars.

Based on the taxpayer-supported and self-supported debt portfolios at March 31, 2023, a one cent change in the Canadian dollar versus the US dollar would not impact the annual debt servicing cost (2022: nil) for the taxpayer-supported debt portfolio; however, the self-supported debt portfolio would increase by \$2 million (2022: \$2 million).

At March 31, 2023, swap agreements relating to investments held by taxpayer-supported portfolios included cross-currency swaps totalling \$37 million (2022: \$34 million).

Credit risk

Credit risk is the risk that the province will incur financial losses due to a counterparty defaulting on its financial obligations. In accordance with the government's policy guidelines, the province reduces its credit risk by dealing with only highly rated counterparties. The province only enters into derivative transactions with counterparties that have a rating from Standard & Poor's or Moody's Investors Service Inc. of at least A+/A1. The province also establishes limits on individual counterparty credit exposures and monitors these exposures on a regular basis.

The province implements Credit Support Annex agreements for all derivative type transactions, including cross-currency and interest rate swaps, to mitigate exposure to counterparty default risk. Under the terms of these agreements, the province may be required to pledge or receive eligible collateral with its counterparties. These amounts will be returned to or received from the counterparties when there are no longer any outstanding obligations. As at March 31, 2023, gross counterparty exposure was valued at \$(365) million (2022: \$154 million), and collateral held was \$83 million (2022: \$529 million held), with a \$2 million net counterparty exposure (2022: nil). Collateral held consists of \$351 million net cash paid which is included in accounts receivable (*see* Note 12) (2022: \$104 million cash received), and \$434 million (2022: \$425 million) of securities received, which have not been recognized in the financial statements as it is pledged by counterparties and held by a third party until the derivative transaction is completed or default occurs.

Liquidity Risk

The province utilizes a cash management framework to ensure that cash is available where and when it is needed while minimizing the cost of cash and maximizing returns on temporary balances. The province forecasts all cash inflows and outflows, including debt and the related derivatives maturities, for the full current fiscal year and the following two fiscal years. The forecast is for each business day and is revised daily based on actual flows, analysis of current trends, historical patterns, and emerging market conditions.

Market Price Risk

The province is committed to generating long-term investment returns that meet or exceed targets and benchmarks without unnecessary risk. The province is exposed to market price risk on its portfolio investments, and utilizes strategies such as diversification and the selection of only high-quality investment assets to mitigate this exposure.

**Notes to Consolidated Summary Financial Statements
for the Fiscal Year Ended March 31, 2023—Continued**

21. Net Liabilities

The Consolidated Statement of Change in Net Liabilities (*see* page 45) shows the net impact of applying the expenditure basis of accounting. The net liabilities calculation uses the expenditure, rather than the expense basis of accounting. Under the expenditure basis of accounting, tangible capital assets, prepaid program costs and other assets are recorded as expenditures when calculating the current year surplus or deficit. Under the expense basis of accounting, these items are recorded on the Consolidated Statement of Financial Position as assets and amortized over an applicable period of time.

22. Tangible Capital Assets

	In Millions	
	2023	2022
	\$	\$
Land and land improvements	6,220	6,129
Buildings (including tenant improvements)	30,232	28,106
Highway infrastructure	15,099	14,267
Transportation equipment	3,507	3,120
Computer hardware and software	2,299	2,191
Other	2,454	2,320
	59,811	56,133

See Consolidated Statement of Tangible Capital Assets on page 108.

The estimated useful lives of the more common tangible capital assets are: buildings (3–90 years); highway infrastructure (3–90 years); transportation equipment (including rapid transit, ferries and related infrastructure) (15–100 years); computer hardware and software (1–18 years); major software systems (1–18 years); and other (including vehicles, specialized equipment, and furniture and equipment) (1–30 years). Land improvements are amortized over 30 years (recreation areas) or 40 years (dams and water management systems). Leasehold improvements (2–40 years) are amortized over the lesser of the lease term and the life of the asset.

BC Transportation Financing Authority (BCTFA) assets include capital assets under lease to South Coast British Columbia Transportation Authority (SCBCTA). These capital assets under lease consist of land, land improvements, interests in land, park and ride facilities, stations, guideways, rolling stocks and other assets related to the SkyTrain system, including the Millennium Line, Evergreen Line, the Expo Line SkyTrain systems and the West Coast Express. These assets are made available for use by SCBCTA under operating lease arrangements for a nominal lease amount pursuant to an Order in Council and to the Millennium Line Use Agreement, and represent one of the province's contributions toward public transportation in the Metro Vancouver service area. The Expo Line and Millennium Line Use Agreements expire in January 2024 and may be renewed, if mutually agreed, for successive five year terms as long as the assets remain a part of the Greater Vancouver regional transportation system. The net book value of these assets is \$2,215 million (2022: \$2,266 million).

The province received donations of tangible capital assets during the year of \$29 million (2022: \$3 million).

**Notes to Consolidated Summary Financial Statements
for the Fiscal Year Ended March 31, 2023—Continued**

23. Restricted Assets

	In Millions	
	2023	2022
Endowment funds	\$ 2,224	\$ 2,147

Donors have placed restrictions on their contributions to the endowment funds of universities, colleges, school districts, health organizations, and taxpayer-supported Crown corporations. One restriction is that the original contribution should not be spent. Endowment agreements may also require that a portion of investment income be used to offset the eroding effect of inflation or preserve the original value.

24. Prepaid Program Costs

	In Millions	
	2023	2022
Prepaid program costs	\$ 1,104	\$ 1,347

The prepaid program costs include deferred costs associated with the BC Timber Sales Program, prepaid operating costs and inventories of supplies and other not-for-resale items held by taxpayer-supported Crown corporations and agencies which are charged to expense when consumed in the normal course of operations. At March 31, 2023, the total inventories held for use or consumption was \$522 million (2022: \$800 million). During the year, the total expense due to the consumption of inventories was \$2,187 million (2022: \$1,626 million) including the effect of write-downs of \$168 million (2022: \$10 million).

25. Other Assets

	In Millions	
	2023	2022
Deferred debt instrument costs	\$	\$ 137
Other deferred costs	243	307
	243	444

Other deferred costs include funds held by a service provider to provide group health and welfare benefits on behalf of health authorities, affiliates and community social service organizations.

**Notes to Consolidated Summary Financial Statements
for the Fiscal Year Ended March 31, 2023—Continued**

26. Accumulated Surplus (Deficit)

	In Millions	
	2023	2022
	\$	\$
Accumulated surplus (deficit)—before remeasurement gains and losses—beginning of year as previously reported ¹	3,759	2,453
Adjustments to accumulated surplus (deficit) ^{2,3}	(1,558)	(1,507)
Accumulated surplus (deficit)—beginning of year as restated	2,201	946
Surplus (deficit) for the year	704	1,265
Accumulated surplus (deficit)—before remeasurement gains and losses	2,905	2,211
Effect of remeasurement gains and (losses)	(202)	396
Accumulated surplus (deficit)—end of year	2,703	2,607

¹ The opening accumulated surplus (deficit) figures for April 1, 2022 and April 1, 2021 are reported before remeasurement gains and losses.

² During 2022/23, adjustments were made to the opening accumulated surplus for 2021/22 for the following items:

Adoption of the asset retirement obligations accounting standard during fiscal 2023	(1,507)
Total	(1,507)

³ During 2022/23, adjustments were made to the opening accumulated surplus for 2022/23 for the following items:

Adoption of the asset retirement obligations accounting standard during fiscal 2023	(1,548)
Adjustments to opening equity for the adoption of the financial instruments accounting standard during fiscal 2023	(10)
Total	(1,558)

**Notes to Consolidated Summary Financial Statements
for the Fiscal Year Ended March 31, 2023—Continued**

27. Contingent Assets and Contractual Rights

(a) UNRECOGNIZED ASSETS

Intangible assets and items inherited by right of Crown, such as forest, water and mineral resources, are not recognized in these financial statements. Land inherited by the right of Crown is capitalized at a nominal value of one dollar. The value of collections (e.g. artifacts, specimens, works of art, and documents) has been excluded from the Statement of Financial Position. When collections are purchased, these items are expensed.

(b) CONTINGENT ASSETS

The province has no contingent assets where the estimated amount is, or exceeds \$100,000, and the occurrence of the confirming future event is likely.

(c) CONTRACTUAL RIGHTS

Contractual rights are future-oriented financial information based on multi-year contracts the government has entered into that will become assets and revenue when terms of the contracts are met. The following table presents contractual rights that are greater than \$50 million, by sector, by year.

	In Millions						Total
	2024	2025	2026	2027	2028	2029 and beyond	
	\$	\$	\$	\$	\$	\$	\$
Consolidated Revenue Fund and Taxpayer-supported Crown corporations and agencies							
Health	1	1	1				3
Education	38	23	19	18	15	17	130
Social services	729	842	911				2,482
Natural resources and economic development	193	186	184	182	162	4,851	5,758
Transportation	425	377	258	54	43	1,210	2,367
General government	413	392	482	467	443	2,595	4,792
	<u>1,799</u>	<u>1,821</u>	<u>1,855</u>	<u>721</u>	<u>663</u>	<u>8,673</u>	<u>15,532</u>
Self-supported Crown corporations and agencies							
Natural resources and economic development	461	317	291	260	221	4,444	5,994
Protection of persons and property	22	18	15	13	8	22	98
	<u>483</u>	<u>335</u>	<u>306</u>	<u>273</u>	<u>229</u>	<u>4,466</u>	<u>6,092</u>
Total	<u>2,282</u>	<u>2,156</u>	<u>2,161</u>	<u>994</u>	<u>892</u>	<u>13,139</u>	<u>21,624</u>

**Notes to Consolidated Summary Financial Statements
for the Fiscal Year Ended March 31, 2023—Continued**

27. Contingent Assets and Contractual Rights—Continued

The following table presents amounts provided in multi-year government transfer agreements that are greater than \$50 million, by sector, by year. These government transfers may be authorized by the federal government in the future.

	In Millions						Total \$
	2024	2025	2026	2027	2028	2029 and beyond	
	\$	\$	\$	\$	\$	\$	
Consolidated Revenue Fund and Taxpayer-supported Crown corporations and agencies							
Education	98						98
Social services	388	45	45				478
Other	149	153	52	37	23	27	441
Natural resources and economic development	18	17	17	17	17		86
Total	<u>653</u>	<u>215</u>	<u>114</u>	<u>54</u>	<u>40</u>	<u>27</u>	<u>1,103</u>

28. Contingent Liabilities and Contractual Obligations

(a) GUARANTEED DEBT

The authorized limit for loans guaranteed by the province as at March 31, 2023 was \$398 million (2022: \$398 million). These guarantees include amounts where indemnities have been made for explicit quantifiable loans. Guaranteed debt as at March 31, 2023 totalled \$15 million (2022: \$16 million). *See* Consolidated Statement of Guaranteed Debt on page 109 for details.

(b) CONTINGENT LIABILITIES

Litigation

The province is a defendant in legal actions and is involved in matters such as expropriation, contract and tax disputes. These matters may give rise to future liabilities.

The province has the following contingent liabilities where the estimated or known claim is, or exceeds \$100,000, but the likelihood of payment is uncertain.

	In Millions	
	2023	2022
	\$	\$
Tax disputes	64	49
Property access disputes	30	27
Contract disputes	33	16
Damage to persons or property	3	2
Negligence and miscellaneous	1,794	345
	<u>1,924</u>	<u>439</u>

When it is determined it is likely a liability exists and the amount can be reasonably estimated, the amount is recorded as an accrued liability (*see* Note 12) and an expense. The accrued liability for pending litigation in process at March 31, 2023 was \$117 million (2022: \$116 million).

**Notes to Consolidated Summary Financial Statements
for the Fiscal Year Ended March 31, 2023—Continued**

28. Contingent Liabilities and Contractual Obligations—Continued

Tax Appeals

The province has received appeals under various tax statutes totalling \$201 million (2022: \$147 million). The cost to the province cannot be determined as the outcome of these appeals is uncertain.

Guarantees and Indemnities

The province also has contingent liabilities in the form of indemnities, indirect guarantees and outstanding claims for amounts that are not explicit or reasonably estimable at this time.

Environmental Clean-up

The province is responsible for the remediation of numerous contaminated sites in the province that are no longer in productive economic use.

For sites where the province is directly responsible or has assumed responsibility for remediation, the following provision for future clean-up costs has been accrued based on preliminary environmental assessments, or estimations for those sites where an assessment has not been conducted. The provision is recorded as an accrued liability (*see* Note 12).

	In Millions	
	2023	2022
	\$	\$
Mine sites	348	350
Transportation infrastructure	33	33
Industrial sites	25	26
Salt sheds	5	5
Maintenance yards	5	3
Pulp mills	1	4
Miscellaneous	96	101
	<u>513</u>	<u>522</u>

This provision for future clean-up costs is an estimate of the minimum remediation costs for known sites where an assessment has been conducted, or where available information on sites is sufficient to estimate the costs. Where information is not available to make an estimate, costs are extrapolated from the estimated costs of similar sites. The undiscounted estimated costs for sites that require ongoing remediation, monitoring or maintenance is \$124 million. Where settlement dates are known, these costs are discounted using the province's estimated weighted average cost of capital at periodic evaluation dates. As at March 31, 2023, the weighted average cost of capital is 3.47% (2022: 3.13%).

As at the reporting date, 27 sites where historical industrial activity has occurred have been identified for monitoring purposes. Remediation activities are unlikely to be performed on these sites and a liability may be recorded at a later date.

Additional environmental liabilities of government business enterprises include \$270 million (2022: \$296 million) accrued by British Columbia Hydro and Power Authority, and \$10 million (2022: \$96 million) accrued by British Columbia Railway Company. The liabilities are included in the investment balance of the Crown corporation or agency in Note 7.

**Notes to Consolidated Summary Financial Statements
for the Fiscal Year Ended March 31, 2023—Continued**

28. Contingent Liabilities and Contractual Obligations—Continued

Treaty Negotiations

Treaty negotiations between the province, Canada and First Nations commenced in 1994. The province anticipates these negotiations will result in modern-day treaties defining the boundaries and nature of First Nations treaty settlement lands. As of March 31, 2023, there were 73 First Nations in various stages of negotiation, including 39 First Nations in active or completed negotiations.

When final treaty agreements are ratified by all parties, the provincial cost of treaties is recorded in the Public Accounts. Costs are accounted for based on the substance of the final agreement.

A Final Agreement with Yale First Nation was ratified by Yale First Nation in March 2011, by the provincial government on June 2, 2011 and by the Parliament of Canada on June 19, 2013. A treaty effective date has not yet been agreed to by the parties. Through the treaty, the province will provide Yale with a capital transfer of \$2.5 million, economic development funding of \$1.1 million and 1,179 hectares of provincial Crown lands.

It is expected the capital transfer components for all treaty agreements will be, in most cases, entirely provided by Canada. The current commitments of provincial Crown land for all Final Agreement and Increment Treaty Agreement tables are as follows:

- Ditidaht, 3,567 hectares
- Homalco, 822 hectares
- In-SHUCK-ch, (Skatin and Samahquam) 9,474 hectares
- Kaska Dena Council, 677 hectares
- Kitselas, 34,839 hectares
- Kitsumkalum, 44,661 hectares
- K'omoks, 3,040 hectares
- Ktunaxa Nation Council, 418 hectares
- Lake Babine Nation (BC only), 511 hectares with a one-time payment of \$0.02 million
- Lheidli T'enneh, 3,416 hectares
- Nazko, 172 hectares
- NStQ (Canoe Creek, Sugar Cane, Canim Lake, Soda Creek), 3,656 hectares
- Pacheedaht, 1,216 hectares
- Te'mexw (Malahat, Scia'new, Snaw-naw-as, Songhees and T'Sou-ke), 1,182 hectares
- Tla-o-qui-aht, 47 hectares
- Wei Wai Kai (Cape Mudge First Nation), 3,100 hectares
- Wei Wai Kum (Campbell River First Nation) 2,276 hectares
- Wuikinuxv, 13,946 hectares
- Yekooche, 5,960 hectares

Upon coming into effect, treaties and other incremental agreements will also trigger implementation costs and may result in compensation to third parties. Those costs are not determinable at this time.

Some First Nations have chosen not to negotiate through the formal British Columbia Treaty Commission process. A number of those First Nations have chosen to advance their claims through litigation. Claims include declarations with respect to aboriginal rights and title, commercial rights, challenges with respect to adequacy of consultation and accommodation, and damages for unjustified infringements. The amount of any provincial liability is not determinable at this time.

**Notes to Consolidated Summary Financial Statements
for the Fiscal Year Ended March 31, 2023—Continued**

28. Contingent Liabilities and Contractual Obligations—Continued

Crown Corporations, Agencies and School Districts, Universities, Colleges, Institutes and Health Organizations (SUCH)

- (i) The BC Transportation Financing Authority has unrecorded contingent liabilities of \$67 million (2022: \$103 million), including \$18 million (2022: \$17 million) for expropriation claims and \$27 million (2022: \$27 million) for contaminated sites.
- (ii) The B.C. Pavilion Corporation and predecessor property owners remain liable for environmental and reclamation obligations for known hazards that may exist at its facilities. Management is not aware of any existing environmental problems related to its facilities that may result in a material liability to the B.C. Pavilion Corporation.

(c) CONTRACTUAL OBLIGATIONS

The government has entered into a number of multiple-year contracts for the delivery of services and the construction of assets. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Disclosure relates to the unperformed portion of the contracts. Contractual obligations are future-oriented financial information about non-discounted future cash payments for operating and capital contracts, and do not indicate when the related expenses will be recognized in the financial statements.

The following table presents the minimum amounts required to satisfy the contractual obligations, for contractual obligations that are greater than \$50 million, by sector, by year. Details are available as unaudited supplementary information on the public website at <http://gov.bc.ca/publicaccounts>.

	In Millions						Total \$
	2024	2025	2026	2027	2028	2029 and beyond	
	\$	\$	\$	\$	\$	\$	
Consolidated Revenue Fund and Taxpayer-supported Crown corporations and agencies							
Health	4,600	2,415	1,764	1,128	908	5,331	16,146
Education	1,003	471	215	100	50	153	1,992
Social services	136						136
Other	411	330	251	191	162	4,110	5,455
Natural resources and economic development	45	34	35	38	63	203	418
Transportation	2,344	1,584	1,090	870	831	9,723	16,442
Protection of persons and property	577	553	528	529	514	2,279	4,980
General government	557	489	158	134	114	283	1,735
	<u>9,673</u>	<u>5,876</u>	<u>4,041</u>	<u>2,990</u>	<u>2,642</u>	<u>22,082</u>	<u>47,304</u>
Self-supported Crown corporations and agencies							
Natural resources and economic development	3,709	3,183	2,398	2,244	2,179	39,886	53,599
General government	163	73	19	1	1		257
	<u>3,872</u>	<u>3,256</u>	<u>2,417</u>	<u>2,245</u>	<u>2,180</u>	<u>39,886</u>	<u>53,856</u>
Total	<u><u>13,545</u></u>	<u><u>9,132</u></u>	<u><u>6,458</u></u>	<u><u>5,235</u></u>	<u><u>4,822</u></u>	<u><u>61,968</u></u>	<u><u>101,160</u></u>

**Notes to Consolidated Summary Financial Statements
for the Fiscal Year Ended March 31, 2023—Continued**

28. Contingent Liabilities and Contractual Obligations—Continued

The following table presents the amounts provided in multiple-year government transfer agreements that are greater than \$50 million, by sector, by year. While there is no current obligation for these amounts, these government transfers may be authorized by government in a future year.

	In Millions						
	2024	2025	2026	2027	2028	2029 and beyond	Total
	\$	\$	\$	\$	\$	\$	\$
Consolidated Revenue Fund and Taxpayer-supported Crown corporations and agencies							
Education	96	87	68				251
Social services	472	13					485
Other	54	55	56	57	60	444	726
Natural resources and economic development	580	194	397				1,171
Total	1,202	349	521	57	60	444	2,633

29. Taxation Revenue

	In Millions	
	2023	2022
	\$	\$
Personal income	17,268	13,704
Provincial sales	9,818	8,731
Corporate income	9,156	5,053
Property	3,253	3,012
Employer health	2,720	2,443
Property transfer	2,293	3,327
Carbon	2,161	2,011
Fuel	1,021	1,022
Tobacco	531	708
Other	804	706
	49,025	40,717

Personal income tax and corporate income tax revenues are recorded after deductions for non-refundable tax credits. Deductions allowable in the calculation of personal income tax revenue were \$176 million (2022: \$110 million) and corporate income tax were \$232 million (2022: \$127 million). The types of tax credits adjusting personal income tax and corporation income tax revenues are for foreign taxes, logging taxes, venture capital, scientific and experimental development tax, and mining flow-through share.

Personal income tax revenue was also reduced by \$199 million (2022: \$191 million) for the BC Tax Reduction.

Personal and corporate income tax refunds related to prior years may be issued under the *International Business Activity Act*. Corporate income tax reimbursements were \$3 million (2022: \$10 million).

Property tax revenue was recorded net of home owner grants of \$892 million (2022: \$878 million).

**Notes to Consolidated Summary Financial Statements
for the Fiscal Year Ended March 31, 2023—Continued**

30. Natural Resource Revenue

	In Millions	
	2023	2022
	\$	\$
Petroleum, natural gas and minerals	3,356	1,848
Forests	1,887	1,893
Water and other	955	730
	6,198	4,471

Oil and gas royalty revenues are reported after adjustments for various royalty deduction programs such as producer cost of service allowances, deep well, marginal, ultra marginal, low production, net profit, new pool discovery and road construction. Deductions allowable in the calculation of royalty revenue were \$1,671 million (2022: \$1,517 million). Natural resource revenue includes mining taxes of \$801 million (2022: \$660 million) and logging taxes of \$403 million (2022: \$154 million).

The province offers credits for certain costs incurred by producers including the deep well, road and summer drilling programs. Deep well credits of \$2,215 million (2022: \$2,838 million), road credits of \$10 million (2022: \$14 million) and summer drilling credits of \$3 million (2022: \$3 million) have been incurred by producers and will reduce future natural gas royalties payable when wells go into production.

31. Expense

	In Millions	
	2023	2022
	\$	\$
Total Expense by Group Account Classification		
Government transfers	28,246	22,425
Salaries and benefits	28,214	26,124
Operating costs	17,595	16,340
Amortization	2,926	2,681
Interest ¹	2,719	2,742
Other	1,132	815
	80,832	71,127

¹Total interest function costs include a \$79 million net loss (2022: \$25 million net gain) related to cross currency and interest rate derivatives.

**Notes to Consolidated Summary Financial Statements
for the Fiscal Year Ended March 31, 2023—Continued**

32. Valuation Allowances

	In Millions	
	2023	2022
	\$	\$
Inventory held for use	167	10
Accounts receivable	88	84
Loans, advances and mortgages receivable	42	15
Tangible capital assets	8	9
	305	118

These amounts are included in “Other” of “Total Expense by Group Account Classification” in Note 31, and represent the write-down of assets in the above Consolidated Statement of Financial Position categories.

33. Trusts Under Administration

Trusts Under Administration are not included in the Summary Financial Statements because the province has no equity in, or power of appropriation over, these trusts. The province administers these trusts on behalf of third parties according to the terms of the underlying trust arrangements. The trust assets consist of cash, term deposits, investments, real estate, and other sundry assets. Trust liabilities consist of trade payables, loans payable, and mortgages payable. Summary financial information from the financial statements of trust funds is provided below.

	In Millions			
	Assets	Liabilities	2023	2022
	\$	\$	\$	\$
Public Guardian and Trustee of British Columbia ¹				
—administered by government officials	1,410	(47)	1,363	1,265
Credit Union Deposit Insurance Corporation of British Columbia ¹				
—administered by various government officials and a non-government investment corporation	861	(2)	859	810
Supreme and provincial court (Suitors’ Funds)				
—administered by the Courts	213		213	223
Other trust funds				
—administered by various government officials	252	(62)	190	144
	2,736	(111)	2,625	2,442

¹These organizations are reported under International Financial Reporting Standards.

34. Comparison to Estimates

The Estimates numbers on the Statement of Operations are taken from the Estimated Statement of Operations, the Estimated Revenue by Source, and the Estimated Expense by Function, on pages 4 – 6 of the *Estimates, Fiscal Year Ending March 31, 2023*, presented to the Legislative Assembly February 22, 2022.

35. Comparatives

Comparative figures have been restated to conform with the current year’s presentation. The effect of restatements on the previously reported operating result is disclosed in Note 26.

**Notes to Consolidated Summary Financial Statements
for the Fiscal Year Ended March 31, 2023—Continued**

36. Asset Retirement Obligations

Asset retirement obligations recognized by the province include estimated costs for which there is a legal obligation to conduct activities associated with the retirement of tangible capital assets. Activities may include remediation of hazardous materials such as asbestos in buildings and the decommissioning or restoration of assets such as land or leaseholds to their original use and condition. The following table summarizes the changes to the province's asset retirement obligations during the year:

	In Millions						
	Balance-- beginning of year	New liabilities in the year	Accretion expense in the year	Changes in estimate ¹	Liabilities settled in the year	2023	2022
	\$	\$	\$	\$	\$	\$	\$
Consolidated Revenue Fund and Taxpayer-supported Crown corporations and agencies							
Health	335	2	12			349	335
Education	719	2	4	82		807	719
Other	248	10	17			275	248
Natural Resources and Economic Development	36	7	1		(3)	41	36
Protection of Persons and Property		1				1	
Transportation	244	3				247	244
General Government	135		4	11		150	135
	<u>1,717</u>	<u>25</u>	<u>38</u>	<u>93</u>	<u>(3)</u>	<u>1,870</u>	<u>1,717</u>
Self-supported Crown corporations and agencies							
Natural Resources and Economic Development	80		2	(5)	(7)	70	80
Transportation	191		5	(21)		175	191
General Government	1			2		3	1
	<u>272</u>	<u>0</u>	<u>7</u>	<u>(24)</u>	<u>(7)</u>	<u>248</u>	<u>272</u>
	<u>1,989</u>	<u>25</u>	<u>45</u>	<u>69</u>	<u>(10)</u>	<u>2,118</u>	<u>1,989</u>

The estimated undiscounted cash flows required to settle these obligations are \$2,103 million. Those with legally stipulated settlement dates are expected to be settled between 2023 and 2083. The timing of settlement for all other obligations is dependent on the use of the underlying assets. Where the settlement date is known, estimated future costs are discounted using the province's estimated weighted average cost of capital at periodic evaluation dates. As at March 31, 2023, the weighted average cost of capital is 3.47% (2022: 3.13%).

Self-supported Crown corporations' balances are calculated using International Financial Reporting Standards.

¹Can include changes in the estimated cost, timing of settlement and the discount of the current value of the obligation.

**Notes to Consolidated Summary Financial Statements
for the Fiscal Year Ended March 31, 2023—Continued**

37. Government Partnerships

Canadian Blood Services owns and operates the national blood supply system for Canada, except for the province of Quebec. It is a government partnership amongst Canadian provinces and territories. The ministers of health for the provinces and territories, except Quebec, provide contributions to fund its operations. Its financial results are proportionately consolidated with those of the province based upon the province's share of its total provincial contributions (14.67%). The amounts included in these financial statements are as follows:

Consolidated Statement of Financial Position

	In Millions	
	2023	2022
	\$	\$
Financial assets	101	99
Liabilities	131	128
Net liabilities	(30)	(29)
Non-financial assets	81	79
Accumulated surplus (deficit)	51	50

Consolidated Statement of Operations

	In Millions	
	2023	2022
	\$	\$
Revenue	202	197
Expenses	201	190
Surplus (deficit) for the year	1	7
Accumulated surplus (deficit) beginning of year	50	43
Accumulated surplus (deficit) end of year	51	50

38. Regulatory Accounting

Included in the Summary Financial Statements are entities that are regulated by the independent British Columbia Utilities Commission (the Commission). The Commission is responsible for regulating utilities in British Columbia which includes establishing tariffs, approving the construction of new facilities planned by utilities, and their issuance of securities. As an independent provincial agency, the operating results of the Commission are also included in the Summary Financial Statements.

Rate-regulation can result in the deferral and amortization of costs and recoveries to allow for adjustment of future rates. In the absence of rate-regulation, these amounts would otherwise be included in the determination of net income in the year the amounts are incurred. BC Hydro had unamortized net regulatory assets at the end of March 31, 2023 of \$1,467 million (2022: \$2,911 million). Regulatory accounting resulted in a decrease to net income for BC Hydro for the year ended March 31, 2023 of \$1,162 million (2022: \$608 million decrease). Further details are available in BC Hydro's financial statements outside these audited financial statements at <http://gov.bc.ca/financepublications>.

**Notes to Consolidated Summary Financial Statements
for the Fiscal Year Ended March 31, 2023—Continued**

39. Dedicated Revenue

Legislation establishes the right of other governments and organizations to revenues under various enactments. The province acts as an administrative agent for revenues collected on behalf of, and transferred to, other governments and organizations. These revenues are not included in the provincial operating results because the province has no discretion to direct the use of, or cease, the flow-through.

	In Millions	
	2023	2022
	\$	\$
Rural areas	457	423
South Coast British Columbia Transportation Authority	400	400
Municipalities or eligible entities	118	63
British Columbia First Nations Gaming Revenue Sharing Limited Partnership	114	91
Habitat Conservation Trust	6	5
Cowichan Tribes	4	4
	<u>1,099</u>	<u>986</u>

PROVINCE OF BRITISH COLUMBIA
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**Supplementary Statement to the
Consolidated Summary Financial Statements
Reporting Entity
for the Fiscal Year Ended March 31, 2023**

TAXPAYER-SUPPORTED CROWN CORPORATIONS AND AGENCIES
(GOVERNMENT ORGANIZATIONS)
RECORDED ON A CONSOLIDATED BASIS

Consolidated Revenue Fund¹

Health Sector

BC Health Care Occupational Health and Safety Society
Canadian Blood Services²
Fraser Health Authority
Interior Health Authority
Louis Brier Home and Hospital
Menno Hospital
Mount St. Mary Hospital
Nisga'a Valley Health Authority
Northern Health Authority
Providence Health Care Society
Provincial Health Services Authority
St Michael's Centre
Vancouver Coastal Health Authority
Vancouver Island Health Authority

Education Sector

BCNET
British Columbia Institute of Technology
Camosun College
Capilano University
Coast Mountain College
College of New Caledonia
College of the Rockies
Douglas College
Emily Carr University of Art & Design
Justice Institute of British Columbia
Knowledge Network Corporation
Kwantlen Polytechnic University
Langara College
Nicola Valley Institute of Technology
North Island College
Northern Lights College
Okanagan College

**Supplementary Statement to the
Consolidated Summary Financial Statements
Reporting Entity
for the Fiscal Year Ended March 31, 2023—Continued**

TAXPAYER–SUPPORTED CROWN CORPORATIONS AND AGENCIES
(GOVERNMENT ORGANIZATIONS)
RECORDED ON A CONSOLIDATED BASIS

Education Sector—Continued

Royal Roads University
School Districts
Selkirk College
Simon Fraser University
SkilledTradesBC³
The British Columbia Council for International Education
The University of British Columbia
Thompson Rivers University
University of the Fraser Valley
University of Northern British Columbia
University of Victoria
Vancouver Community College
Vancouver Island University

Natural Resources and Economic Development Sector

BC Infrastructure Benefits Inc.
B.C. Pavilion Corporation
British Columbia Energy Regulator³
British Columbia Enterprise Corporation⁴
Columbia Basin Trust
Creston Valley Wildlife Management Authority Trust Fund
Destination BC Corp.
Forest Enhancement Society of BC
Forestry Innovation Investment Ltd
InBC Investment Corp.
Infrastructure BC Inc.
Innovate BC
Nechako–Kitimaat Development Fund Society

Transportation Sector

BC Transportation Financing Authority
British Columbia Transit

Protection of Persons and Property Sector

BC Family Maintenance Agency Ltd.
BC Financial Services Authority
British Columbia Securities Commission
Organized Crime Agency of British Columbia Society
Real Estate Foundation of British Columbia⁵

**Supplementary Statement to the
Consolidated Summary Financial Statements
Reporting Entity
for the Fiscal Year Ended March 31, 2023—Continued**

TAXPAYER-SUPPORTED CROWN CORPORATIONS AND AGENCIES
(GOVERNMENT ORGANIZATIONS)
RECORDED ON A CONSOLIDATED BASIS

Social Services Sector

Community Living British Columbia
Legal Services Society

Other Sector

BC Games Society
British Columbia Assessment Authority
British Columbia Housing Management Commission
British Columbia Public School Employers' Association
Community Social Services Employers' Association of British Columbia
Crown Corporations Employers' Association
First Peoples' Heritage, Language and Culture Council
Health Employers Association of British Columbia
Post-Secondary Employers' Association
Provincial Rental Housing Corporation
The Royal British Columbia Museum Corporation

SELF-SUPPORTED CROWN CORPORATIONS AND AGENCIES
(GOVERNMENT BUSINESS ENTERPRISES)
RECORDED ON A MODIFIED EQUITY BASIS

British Columbia Hydro and Power Authority⁶
British Columbia Liquor Distribution Branch⁷
British Columbia Lottery Corporation⁷
Columbia Power Corporation⁶
Insurance Corporation of British Columbia⁸

¹The Consolidated Revenue Fund has been allocated to the appropriate sector on the Consolidated Statement of Financial Position by Sector (page 96) and on the Consolidated Statement of Operations by Sector (page 100).

²This organization reflects a government partnership amongst Canadian provinces and is proportionally consolidated based upon the province's share (14.67%) of the total provincial contributions to the partnership.

³This organization was renamed during the year.

⁴This organization was wound up during the year.

⁵This organization left the Government Reporting Entity during the year.

⁶These organizations were included in the Natural Resources and Economic Development Sector results.

⁷These organizations were included in the General Government Sector results.

⁸This organization was included in the Protection of Persons and Property Sector results.

PROVINCE OF BRITISH COLUMBIA
PUBLIC ACCOUNTS 2022/23

Supplementary Statement to the Summary Financial Statements
Consolidated Statement of Financial Position by Sector
as at March 31, 2023

	In Millions								Natural Resources and Economic Development	
	Health		Education		Social Services		Other ¹		2023	2022
	2023	2022	2023	2022	2023	2022	2023	2022	\$	\$
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets										
Cash and cash equivalents	2,179	2,735	3,333	3,302	47	36	194	134	156	165
Temporary investments		1	135	73			117	105	124	104
Accounts receivable	952	947	393	472	63	58	293	280	913	901
Inventories for resale	3	3	29	19			2	2	64	41
Due from Crown corporations and agencies	13	14	43	44	1	1	134	51	7	11
Due from other governments	88	156	98	60	56	55	96	67	197	195
Due from self-supported Crown corporations and agencies			82	60					91	60
Equity in self-supported Crown corporations and agencies			109	100					8,469	8,145
Loans, advances and mortgages receivable	626	614	911	889	1	1	1,269	979	64	58
Other investments	81	81	3,659	3,202			197	192	291	289
Sinking fund investments			67	64						
Derivative financial instruments										
Loans for purchase of assets, recoverable from agencies										
	<u>3,942</u>	<u>4,551</u>	<u>8,859</u>	<u>8,285</u>	<u>168</u>	<u>151</u>	<u>2,302</u>	<u>1,810</u>	<u>10,376</u>	<u>9,969</u>

**Supplementary Statement to the Summary Financial Statements
Consolidated Statement of Financial Position by Sector
as at March 31, 2023—Continued**

	In Millions											
	Debt Servicing ²		Protection of Persons and Property		Transportation		General Government ³		Adjustments ⁴		Total	
	2023 \$	2022 \$	2023 \$	2022 \$	2023 \$	2022 \$	2023 \$	2022 \$	2023 \$	2022 \$	2023 \$	2022 \$
Financial Assets												
Cash and cash equivalents	4,322	2,424	41	28	72	76	376	540	(2,887)	(2,613)	7,833	6,827
Temporary investments			38	32							414	315
Accounts receivable	803	389	107	93	59	67	4,041	3,717	(228)	(145)	7,396	6,779
Inventories for resale			2	2	1	4	2	3			103	74
Due from Crown corporations and agencies					10	3			(208)	(124)	0	0
Due from other governments			516	961	134	116	175	168			1,360	1,778
Due from self-supported Crown corporations and agencies							248	211			421	331
Equity in self-supported Crown corporations and agencies			3,753	3,709	232	238	71	31			12,634	12,223
Loans, advances and mortgages receivable			1	1			1,898	1,667	(7)	(10)	4,763	4,199
Other investments	9	9	58	95	76	76					4,371	3,944
Sinking fund investments	521	510			57	76			(124)	(140)	521	510
Derivative financial instruments	663										663	0
Loans for purchase of assets, recoverable from agencies	47,946	42,356							(19,801)	(15,138)	28,145	27,218
	<u>54,264</u>	<u>45,688</u>	<u>4,516</u>	<u>4,921</u>	<u>641</u>	<u>656</u>	<u>6,811</u>	<u>6,337</u>	<u>(23,255)</u>	<u>(18,170)</u>	<u>68,624</u>	<u>64,198</u>

PROVINCE OF BRITISH COLUMBIA
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Supplementary Statement to the Summary Financial Statements
Consolidated Statement of Financial Position by Sector
as at March 31, 2023—Continued

	In Millions								Natural Resources and Economic Development	
	Health		Education		Social Services		Other ¹		2023	2022
	2023	2022	2023	2022	2023	2022	2023	2022	\$	\$
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Liabilities										
Accounts payable and accrued liabilities	4,269	2,934	2,443	2,288	769	388	1,921	1,049	3,055	1,819
Employee future benefits	1,551	1,438	745	754	31	35	18	17	43	44
Due to other governments	106	102	47	95	1	2	304	27	10	11
Due to Crown corporations, agencies and trust funds	143	54	13	15		6	15	66	629	643
Due to the Province of British Columbia					11	6	9	8	11	10
Deferred revenue	3,672	3,580	5,782	5,270	491	319	295	230	749	852
Taxpayer-supported debt	1,984	1,840	978	1,026			1,241	977	155	164
Self-supported debt										
Derivative financial instruments										
	11,725	9,948	10,008	9,448	1,310	756	3,803	2,374	4,652	3,543
Net assets (liabilities)	(7,783)	(5,397)	(1,149)	(1,163)	(1,142)	(605)	(1,501)	(564)	5,724	6,426
Non-financial Assets										
Tangible capital assets	11,344	10,117	20,052	19,170	128	140	3,662	3,467	2,267	2,273
Restricted assets	5	5	2,219	2,142						
Prepaid program costs	559	801	116	113	47	22	9	60	243	239
Other assets	240	305	3	3						
	12,148	11,228	22,390	21,428	175	162	3,671	3,527	2,510	2,512
Accumulated surplus (deficit)	4,365	5,831	21,241	20,265	(967)	(443)	2,170	2,963	8,234	8,938

**Supplementary Statement to the Summary Financial Statements
Consolidated Statement of Financial Position by Sector
as at March 31, 2023—Continued**

	In Millions											
	Debt Servicing ²		Protection of Persons and Property		Transportation		General Government ³		Adjustments ⁴		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Liabilities												
Accounts payable and accrued liabilities	745	841	908	545	1,981	3,066	1,518	1,273	(223)	(143)	17,386	14,060
Employee future benefits			65	67	35	35	746	685			3,234	3,075
Due to other governments			290	337	5	1	2,345	98			3,108	673
Due to Crown corporations, agencies and trust funds	2,896	2,621	2	2	6	7			(3,068)	(2,713)	643	701
Due to the Province of British Columbia					5	1			(36)	(25)	0	0
Deferred revenue		64	1,032	334	2,973	2,717	11	13			15,005	13,379
Taxpayer-supported debt	56,355	58,293			18,895	15,235	310	319	(19,354)	(15,289)	60,564	62,565
Self-supported debt	28,332	27,209									28,332	27,209
Derivative financial instruments	1,031				574				(574)		1,031	0
	<u>89,359</u>	<u>89,028</u>	<u>2,297</u>	<u>1,285</u>	<u>24,474</u>	<u>21,062</u>	<u>4,930</u>	<u>2,388</u>	<u>(23,255)</u>	<u>(18,170)</u>	<u>129,303</u>	<u>121,662</u>
Net assets (liabilities)	<u>(35,095)</u>	<u>(43,340)</u>	<u>2,219</u>	<u>3,636</u>	<u>(23,833)</u>	<u>(20,406)</u>	<u>1,881</u>	<u>3,949</u>	<u>0</u>	<u>0</u>	<u>(60,679)</u>	<u>(57,464)</u>
Non-financial Assets												
Tangible capital assets			169	144	20,408	19,130	1,798	1,707	(17)	(15)	59,811	56,133
Restricted assets											2,224	2,147
Prepaid program costs			7	6	50	31	73	75			1,104	1,347
Other assets		80				56					243	444
	<u>0</u>	<u>80</u>	<u>176</u>	<u>150</u>	<u>20,458</u>	<u>19,217</u>	<u>1,871</u>	<u>1,782</u>	<u>(17)</u>	<u>(15)</u>	<u>63,382</u>	<u>60,071</u>
Accumulated surplus (deficit)	<u>(35,095)</u>	<u>(43,260)</u>	<u>2,395</u>	<u>3,786</u>	<u>(3,375)</u>	<u>(1,189)</u>	<u>3,752</u>	<u>5,731</u>	<u>(17)</u>	<u>(15)</u>	<u>2,703</u>	<u>2,607</u>

¹The Other Sector consists of activities, such as housing and culture, which cannot be allocated to any of the specifically described sector classifications.

²Debt servicing represents the financial impacts of activities related to management of the public debt.

³Includes the Legislature, tax collection and administration, Canadian Health and Social Transfers from the federal government, liquor and gaming profits, general administration and central agency services such as accounting, auditing, budgeting, insurance and risk management to all sectors.

⁴Represents sectoral adjustments to conform to government accounting policies and to eliminate transactions between sectors.

PROVINCE OF BRITISH COLUMBIA
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**Supplementary Statement to the Summary Financial Statements
Consolidated Statement of Operations by Sector
for the Fiscal Year Ended March 31, 2023**

	In Millions								Natural Resources and Economic Development	
	Health		Education		Social Services		Other ¹		2023	2022
	2023	2022	2023	2022	2023	2022	2023	2022	\$	\$
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue										
Taxation							106	101		
Contributions from the federal government	291	333	1,398	1,347	551	243	244	222	194	177
Fees and licenses	652	499	2,898	2,752	3	3	40	41	157	139
Miscellaneous	1,590	1,390	1,583	1,491	24	28	125	97	360	193
Contributions from the provincial government / net earnings of self-supported Crown corporations and agencies	85	81	358	304	23	20	248	101	540	835
Natural resources									6,198	4,471
Investment income	72	17	332	315	5	2	14	17	27	25
Total revenue	2,690	2,320	6,569	6,209	606	296	777	579	7,476	5,840

**Supplementary Statement to the Summary Financial Statements
Consolidated Statement of Operations by Sector
for the Fiscal Year Ended March 31, 2023—Continued**

	In Millions											
	Debt Servicing ²		Protection of Persons and Property		Transportation		General Government ³		Adjustments ⁴		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue												
Taxation					597	575	48,322	40,041			49,025	40,717
Contributions from the federal government			665	726	255	164	8,928	8,768			12,526	11,980
Fees and licenses			1,069	1,052	75	63	34	35			4,928	4,584
Miscellaneous	2	1	237	226	96	158	503	419	(75)	(93)	4,445	3,910
Contributions from the provincial government / net earnings of self-supported Crown corporations and agencies			(197)	2,199	8	25	2,783	2,401	(750)	(542)	3,098	5,424
Natural resources											6,198	4,471
Investment income	1,462	1,273	4	4	11	9	105	60	(716)	(416)	1,316	1,306
Total revenue	1,464	1,274	1,778	4,207	1,042	994	60,675	51,724	(1,541)	(1,051)	81,536	72,392

PROVINCE OF BRITISH COLUMBIA
PUBLIC ACCOUNTS 2022/23

Supplementary Statement to the Summary Financial Statements
Consolidated Statement of Operations by Sector
for the Fiscal Year Ended March 31, 2023—Continued

	In Millions								Natural Resources and Economic Development	
	Health		Education		Social Services		Other ¹		2023	2022
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Expense										
Salaries and benefits	12,498	11,253	11,631	11,080	605	551	261	236	1,020	908
Government transfers	7,327	6,636	1,662	1,520	7,541	5,336	4,997	2,457	3,930	2,748
Operating costs	9,935	9,257	2,438	2,117	1,542	1,389	288	248	937	1,171
Interest	124	119	47	43			33	10	23	22
Amortization	736	652	1,068	945	23	23	138	126	142	134
Other	321	147	263	213	86	71	66	29	282	282
Operating expense	30,941	28,064	17,109	15,918	9,797	7,370	5,783	3,106	6,334	5,265
Surplus (deficit) for the Fiscal Year ended March 31	(28,251)	(25,744)	(10,540)	(9,709)	(9,191)	(7,074)	(5,006)	(2,527)	1,142	575

**Supplementary Statement to the Summary Financial Statements
Consolidated Statement of Operations by Sector
for the Fiscal Year Ended March 31, 2023—Continued**

In Millions

	Debt Servicing ²		Protection of Persons and Property		Transportation		General Government ³		Adjustments ⁴		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Expense												
Salaries and benefits			1,161	1,108	259	239	779	749			28,214	26,124
Government transfers			1,517	1,333	1,224	2,345	581	411	(533)	(361)	28,246	22,425
Operating costs			760	452	1,196	1,239	505	473	(6)	(6)	17,595	16,340
Interest	2,620	2,525			574	421	17	17	(719)	(415)	2,719	2,742
Amortization			34	31	646	633	139	137			2,926	2,681
Other			49	34	20	22	328	286	(283)	(269)	1,132	815
Operating expense	2,620	2,525	3,521	2,958	3,919	4,899	2,349	2,073	(1,541)	(1,051)	80,832	71,127
Surplus (deficit) for the Fiscal Year ended March 31	(1,156)	(1,251)	(1,743)	1,249	(2,877)	(3,905)	58,326	49,651	0	0	704	1,265

¹The Other Sector consists of activities, such as housing and culture, which cannot be allocated to any of the specifically described sector classifications.

²Debt servicing represents the financial impacts of activities related to management of the public debt.

³Includes the Legislature, tax collection and administration, Canadian Health and Social Transfers from the federal government, liquor and gaming profits, general administration and central agency services such as accounting, auditing, budgeting, insurance and risk management to all sectors.

⁴Represents sectoral adjustments to conform to government accounting policies and to eliminate transactions between sectors.

PROVINCE OF BRITISH COLUMBIA
PUBLIC ACCOUNTS 2022/23

Supplementary Statement to the Summary Financial Statements
Statement of Financial Position
for Self-supported Crown Corporations and Agencies¹
as at March 31, 2023

	In Millions				
	Natural Resources and Economic Development ²	Protection of Persons and Property ³	General Government ⁴	2023 Sub-Total	2022 Sub-Total
	\$	\$	\$	\$	\$
Assets					
Cash and cash equivalents	160	26	41	227	271
Accounts receivable	1,029	1,696	85	2,810	3,127
Inventories	387		242	629	482
Other investments	1,933	19,501	83	21,517	22,141
Tangible capital assets	38,805	401	700	39,906	37,011
Other assets	4,303	557	122	4,982	5,398
Total Assets	46,617	22,181	1,273	70,071	68,430
Liabilities					
Accounts payable and accrued liabilities	5,073	15,727	482	21,282	22,591
Deferred revenue	5,202	2,648	30	7,880	6,540
Due to Province of British Columbia	91		248	339	271
Debt due to Province of British Columbia	27,320		140	27,460	26,395
Other debt	1,429	52	302	1,783	1,715
	<u>39,115</u>	<u>18,427</u>	<u>1,202</u>	<u>58,744</u>	<u>57,512</u>
Equity					
Investment by Province of British Columbia	46			46	46
Other comprehensive income	(58)	603	88	633	402
Unremitted earnings—end of year	7,514	3,151	(17)	10,648	10,470
	<u>7,502</u>	<u>3,754</u>	<u>71</u>	<u>11,327</u>	<u>10,918</u>
Total Liabilities and Equity	46,617	22,181	1,273	70,071	68,430

Supplementary Statement to the Summary Financial Statements
Statement of Financial Position
for Self-supported Crown Corporations and Agencies¹
as at March 31, 2023—Continued

	In Millions				
	Education subsidiaries ⁵	Natural Resources subsidiaries ⁶	Transportation subsidiaries ⁷	2023 Grand Total	2022 Grand Total
	\$	\$	\$	\$	\$
Assets					
Cash and cash equivalents	61	25	21	334	478
Accounts receivable	126	490	3	3,429	3,711
Inventories	43			672	559
Other investments	70	20	271	21,878	22,449
Tangible capital assets	711	843	151	41,611	38,690
Other assets	2	263	4	5,251	5,665
Total Assets	1,013	1,641	450	73,175	71,552
Liabilities					
Accounts payable and accrued liabilities	54	13	194	21,543	22,972
Deferred revenue	49	1	24	7,954	6,596
Due to Province of British Columbia	82			421	331
Debt due to Province of British Columbia	32			27,492	26,432
Other debt	685	662	1	3,131	2,998
	902	676	219	60,541	59,329
Equity					
Investment by Province of British Columbia	74	941	107	1,168	1,167
Other comprehensive income			(6)	627	396
Unremitted earnings—end of year	37	24	130	10,839	10,660
	111	965	231	12,634	12,223
Total Liabilities and Equity	1,013	1,641	450	73,175	71,552

¹Self-supported Crown corporations and agencies report under International Financial Reporting Standards. These statements include related party transactions between self-supported Crown corporations and with taxpayer-supported entities. No elimination entries are recorded for these transactions. They are in the normal course of operations and are recorded at the exchange amount. The normal course of operations includes trade, financial and legal services, shared administration, business relationships, collaboration on projects, carbon offsets, and payment of cash dividends. Significant balances are disclosed in the notes to these financial statements.

²British Columbia Hydro and Power Authority and Columbia Power Corporation.

³Insurance Corporation of British Columbia.

⁴British Columbia Liquor Distribution Branch and government's proportionate share of British Columbia Lottery Corporation.

⁵Self-supported subsidiaries, including Great Northern Way Campus Trust, Heritage Realty Properties Ltd., SFU Community Trust, UBC Properties Trust, and Vancouver Island Technology Park Trust, of post-secondary institutions.

⁶Columbia Basin Trust joint ventures with Columbia Power Corporation (Brilliant Power Corporation, Brilliant Expansion Power Corporation, Arrow Lakes Power Corporation, and Waneta Expansion Power Corporation).

⁷British Columbia Rail Company, a subsidiary of BC Transportation Financing Authority.

**Supplementary Statement to the Summary Financial Statements
Summary of Results of Operations and Statement
of Equity for Self-supported Crown Corporations and Agencies¹
for the Fiscal Year Ended March 31, 2023**

	In Millions				
	Natural Resources and Economic Development ²	Protection of Persons and Property ³	General Government ⁴	2023 Sub-Total	2022 Sub-Total
	\$	\$	\$	\$	\$
Revenue	8,116	5,826	6,777	20,719	19,963
Expense	7,694	6,023	3,994	17,711	14,621
Net earnings of self-supported Crown corporations and agencies	422	(197)	2,783	3,008	5,342
Dividends	(47)		(2,529)	(2,576)	(2,230)
Adjustments to dividends			(254)	(254)	(217)
Transfers (to) from deferred revenue				0	0
Increase(decrease) in unremitted earnings in self-supported Crown corporations and agencies	375	(197)	0	178	2,895
Unremitted earnings—beginning of year	7,139	3,348	(17)	10,470	7,575
Unremitted earnings—end of year	7,514	3,151	(17)	10,648	10,470
Accumulated other comprehensive income—beginning of year	(8)	361	49	402	688
Adjustments to accumulated other comprehensive income				0	0
Other comprehensive income	(50)	242	39	231	(286)
Accumulated other comprehensive income—end of year	(58)	603	88	633	402
Investment by Province of British Columbia	46			46	46
Equity in self-supported Crown corporations and agencies for the year	7,502	3,754	71	11,327	10,918

**Supplementary Statement to the Summary Financial Statements
Summary of Results of Operations and Statement
of Equity for Self-supported Crown Corporations and Agencies¹
for the Fiscal Year Ended March 31, 2023—Continued**

	In Millions				
	Education subsidiaries ⁵	Natural Resources subsidiaries ⁶	Transportation subsidiaries ⁷	2023 Grand Total	2022 Grand Total
	\$	\$	\$	\$	\$
Revenue	44	149	32	20,944	20,191
Expense	26	70	39	17,846	14,767
Net earnings of self-supported Crown corporations and agencies	18	79	(7)	3,098	5,424
Dividends	(26)	(80)		(2,682)	(2,332)
Adjustments to dividends				(254)	(217)
Transfers (to) from deferred revenue	17			17	3
Increase(decrease) in unremitted earnings in self-supported Crown corporations and agencies	9	(1)	(7)	179	2,878
Unremitted earnings—beginning of year	28	25	137	10,660	7,782
Unremitted earnings—end of year	37	24	130	10,839	10,660
Accumulated other comprehensive income—beginning of year			(6)	396	683
Adjustments to accumulated other comprehensive income					
Other comprehensive income				231	(287)
Accumulated other comprehensive income—end of year	0	0	(6)	627	396
Investment by Province of British Columbia	74	941	107	1,168	1,167
Equity in self-supported Crown corporations and agencies for the year	111	965	231	12,634	12,223

¹Self-supported Crown corporations and agencies report under International Financial Reporting Standards. These statements include related party transactions between self-supported Crown corporations and with taxpayer-supported entities. No elimination entries are recorded for these transactions. They are in the normal course of operations and are recorded at the exchange amount. The normal course of operations includes trade, financial and legal services, shared administration, business relationships, collaboration on projects, carbon offsets, and payment of cash dividends. Significant balances are disclosed in the notes to these financial statements.

²British Columbia Hydro and Power Authority and Columbia Power Corporation.

³Insurance Corporation of British Columbia.

⁴British Columbia Liquor Distribution Branch and government's proportionate share of British Columbia Lottery Corporation.

⁵Self-supported subsidiaries, including Great Northern Way Campus Trust, Heritage Realty Properties Ltd., SFU Community Trust, UBC Properties Trust, and Vancouver Island Technology Park Trust, of post-secondary institutions.

⁶Columbia Basin Trust joint ventures with Columbia Power Corporation (Brilliant Power Corporation, Brilliant Expansion Power Corporation, Arrow Lakes Power Corporation, and Waneta Expansion Power Corporation).

⁷British Columbia Rail Company, a subsidiary of BC Transportation Financing Authority.

PROVINCE OF BRITISH COLUMBIA
PUBLIC ACCOUNTS 2022/23

Supplementary Statement to the Summary Financial Statements
Consolidated Statement of Tangible Capital Assets¹
for the Fiscal Year Ended March 31, 2023

	In Millions						2023 Total \$	2022 Total \$
	Land and Land Improvements \$	Building \$	Highway Infrastruc- ture \$	Transport – ation Equipment \$	Computer Hardware/ Software \$	Other ³ \$		
Historical Cost²								
Opening Cost	6,515	46,284	26,634	4,822	5,676	7,554	97,485	92,033
Additions	145	3,531	1,392	505	518	664	6,755	6,020
Disposals and valuation adjustments		(216)	(14)	(18)	(183)	(347)	(778)	(568)
	<u>6,660</u>	<u>49,599</u>	<u>28,012</u>	<u>5,309</u>	<u>6,011</u>	<u>7,871</u>	<u>103,462</u>	<u>97,485</u>
Accumulated Amortization								
Opening balance	(386)	(18,178)	(12,367)	(1,702)	(3,485)	(5,234)	(41,352)	(39,182)
Amortization expense	(31)	(1,282)	(560)	(117)	(415)	(521)	(2,926)	(2,681)
Effect of disposals and valuation adjustments	(23)	93	14	17	188	338	627	511
	<u>(440)</u>	<u>(19,367)</u>	<u>(12,913)</u>	<u>(1,802)</u>	<u>(3,712)</u>	<u>(5,417)</u>	<u>(43,651)</u>	<u>(41,352)</u>
Net book value for the year ended March 31, 2023	<u>6,220</u>	<u>30,232</u>	<u>15,099</u>	<u>3,507</u>	<u>2,299</u>	<u>2,454</u>	<u>59,811</u>	
Net book value for the year ended March 31, 2022	<u>6,129</u>	<u>28,106</u>	<u>14,267</u>	<u>3,120</u>	<u>2,191</u>	<u>2,320</u>		<u>56,133</u>

¹This statement includes assets that are held on capital leases at March 31, 2023 at a gross value of \$402 million less accumulated amortization of \$(134) million for a net book value totalling \$268 million (2022: gross value of \$387 million less accumulated amortization of \$(118) million for a net book value of \$269 million) comprised of: heavy equipment gross \$2 million less accumulated amortization \$(2) million for a net book value of nil (2022: gross \$2 million less accumulated amortization \$(2) million for a net book value of nil); computer hardware/software gross \$72 million less accumulated amortization \$(43) million for a net book value of \$29 million (2022: gross \$67 million less accumulated amortization \$(36) million for a net book value of \$31 million); buildings gross \$321 million less accumulated amortization \$(83) million for a net book value of \$238 million (2022: gross \$310 million less accumulated amortization \$(74) million for a net book value \$236 million); and other assets gross \$7 million less accumulated amortization \$(6) million for a net book value of \$1 million (2022: gross \$8 million less accumulated amortization \$(6) million for a net book value of \$2 million).

²Historical cost includes work-in-progress at March 31, 2023 totalling \$8,270 million (2022: \$6,820 million) comprised of: buildings \$4,271 million (2022: \$3,334 million); land improvements \$71 million (2022: \$84 million); highway infrastructure \$2,099 million (2022: \$1,385 million); transportation equipment \$1,082 million (2022: \$659 million); computer hardware/software \$533 million (2022: \$1,187 million); and specialized equipment \$214 million (2022: \$171 million). Work-in-progress is not amortized. Work-in-progress includes capitalized interest expense at March 31, 2023 totalling \$38 million (2022: \$13 million).

³"Other" at net book value includes office furniture and equipment \$932 million (2022: \$884 million), vehicles \$107 million (2022: \$100 million), machinery \$1,243 million (2022: \$1,165 million) and miscellaneous \$172 million (2022: \$171 million).

**Supplementary Statement to the
Summary Financial Statements
Consolidated Statement of Guaranteed Debt
as at March 31, 2023**

Guaranteed debt represents the debt of organizations that has been explicitly guaranteed or indemnified by the government under the authority of a statute as to net principal or redemption provisions. These organizations may include municipalities and other governments, private enterprises and individuals, minority interests of provincial Crown corporations and agencies, and SUCH¹ sector entities.

	In Millions			
	2023		2022	
	Maximum Guarantee Authorized \$	Net Outstanding \$	Maximum Guarantee Authorized \$	Net Outstanding \$
Taxpayer-supported Guaranteed Debt				
General government:				
<i>Homeowner Protection Act</i> loan guarantees ²	375		375	
Subtotal, general government	375	0	375	0
Natural resources and economic development:				
<i>Financial Administration Act</i> :				
Feeder's Association Loan Guarantee	13	5	13	6
Subtotal, natural resources and economic development	13	5	13	6
Total taxpayer-supported guaranteed debt	388	5	388	6
Self-supported Guaranteed Debt				
<i>Hydro and Power Authority Act</i> bonds and debentures ³	10	10	10	10
Total self-supported guaranteed debt	10	10	10	10
Grand total, all guaranteed debt	398	15	398	16
Provision for probable payout		(1)		(1)
Net total, all guaranteed debt	398	14	398	15

¹School districts, universities, colleges and health authorities/hospital societies.

²*Homeowner Protection Act* loan guarantees include indemnities provided to Canada Mortgage and Housing Corporation for any claims made on reconstruction loans made to homeowners for repairs to homes with premature building envelope failure.

³The government has unconditionally guaranteed the payment of principal and interest for \$10 million (2022: \$10 million) of debentures issued to the Canada Pension Plan Investment Fund that matures on August 9, 2024 with a coupon rate of 5.54%.

PROVINCE OF BRITISH COLUMBIA
PUBLIC ACCOUNTS 2022/23

**Supplementary Statement to the
Summary Financial Statements
Schedule of Investments
as at March 31, 2023**

Investments include short-term cash equivalents and portfolio investments.

	In millions					
	Cost	Fair value level 1	Fair value level 2	Fair value level 3	Pensions ¹	Total
	\$	\$	\$	\$	\$	\$
Interest-bearing securities		2,783	96	1		2,880
Equities		2,379	28	55		2,462
Other types of investments	701	32	20	1,183	253	2,189
Total	701	5,194	144	1,239	253	7,531

¹ Pension investments included in the financial statements of certain post-secondary institutions.

Supplementary Information
(Unaudited)

The following unaudited supplementary information is intended to provide additional information to financial statement readers and includes:

- a) the impacts of the Crown corporations and the school districts, universities, colleges, institutes and health organizations (SUCH) sector on the province's annual surplus (deficit); and
- b) the Consolidated Staff Utilization.

The purpose of this information is to report organizational impacts on the Summary Financial Statements.



PROVINCE OF BRITISH COLUMBIA
PUBLIC ACCOUNTS 2022/23

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Adjusted Net Income of Crown Corporations, Agencies and the SUCH Sector¹
for the Fiscal Year Ended March 31, 2023
(Unaudited)

	In Millions					Adjusted
	Revenue	Expense	Net Income	Adjustments	Dividends	Net Income ²
	\$	\$	\$	\$	\$	\$
Taxpayer-supported (Government Organizations)						
BC Family Maintenance Agency Ltd.	20	(20)				
BC Financial Services Authority	66	(62)	4	(1)		3
BC Games Society	6	(6)				
BC Health Care Occupational Health and Safety Society	3	(3)		(1)		(1)
BC Infrastructure Benefits Inc.	143	(143)				
BCNET	24	(23)	1			1
B.C. Pavilion Corporation	132	(137)	(5)	(20)		(25)
BC Transportation Financing Authority	645	(1,506)	(861)	(21)		(882)
British Columbia Assessment Authority	116	(117)	(1)			(1)
British Columbia Energy Regulator	114	(102)	12	(1)		11
British Columbia Housing Management Commission	2,410	(2,410)		220		220
British Columbia Public School Employers' Association	9	(9)		1		1
British Columbia Securities Commission	74	(68)	6			6
British Columbia Transit	412	(410)	2	23		25
Canadian Blood Services	200	(202)	(2)	3		1
Columbia Basin Trust	17	(86)	(69)	1	80	12
Community Living British Columbia	1,455	(1,455)		(2)		(2)
Community Social Services Employers' Association of British Columbia	4	(4)				
Creston Valley Wildlife Management Authority Trust Fund	1	(1)				
Crown Corporations Employers' Association						
Destination BC Corp.	63	(63)				
First Peoples' Heritage, Language and Culture Council	39	(39)		2		2
Forest Enhancement Society of BC	9	(9)		18		18
Forestry Innovation Investment Ltd.	25	(25)				

Adjusted Net Income of Crown Corporations, Agencies and the SUCH Sector¹
for the Fiscal Year Ended March 31, 2023—Continued
(Unaudited)

	In Millions					Adjusted
	Revenue	Expense	Net Income	Adjustments	Dividends	Net Income ²
	\$	\$	\$	\$	\$	\$
Taxpayer-supported (Government Organizations)						
—Continued						
Health Employers Association of British Columbia	36	(36)		120		120
InBC Investment Corp.	1	(4)	(3)			(3)
Infrastructure BC Inc.	10	(9)	1			1
Innovate BC	17	(17)				
Knowledge Network Corporation	21	(20)	1	2		3
Legal Services Society	123	(123)		(5)		(5)
Nechako–Kitimaat Development Fund Society						
Organized Crime Agency of British Columbia Society	27	(27)				
Post–Secondary Employers’ Association	3	(3)				
Provincial Rental Housing Corporation	145	(139)	6	177		183
Real Estate Foundation of British Columbia	17	(9)	8	(24)		(16)
SkilledTradesBC	118	(116)	2			2
The British Columbia Council for International Education	2	(2)				
The Royal British Columbia Museum Corporation	26	(31)	(5)	11		6
Taxpayer-supported Crown corporations and agencies	<u>6,533</u>	<u>(7,436)</u>	<u>(903)</u>	<u>503</u>	<u>80</u>	<u>(320)</u>
SUCH Sector						
School Districts	7,907	(7,934)	(27)	366		339
Universities	6,230	(6,053)	177	185	26	388
Colleges and Institutes	1,596	(1,591)	5	90		95
Health Authorities	22,486	(22,687)	(201)	780		579
Hospital Societies	1,351	(1,355)	(4)	23		19
SUCH sector	<u>39,570</u>	<u>(39,620)</u>	<u>(50)</u>	<u>1,444</u>	<u>26</u>	<u>1,420</u>
Net impact of taxpayer-supported Crown corporations, agencies and SUCH sector	<u><u>46,103</u></u>	<u><u>(47,056)</u></u>	<u><u>(953)</u></u>	<u><u>1,947</u></u>	<u><u>106</u></u>	<u><u>1,100</u></u>

Adjusted Net Income of Crown Corporations, Agencies and the SUCH Sector¹
for the Fiscal Year Ended March 31, 2023—Continued
(Unaudited)

	In Millions					Adjusted Net Income ²
	Revenue	Expense	Net Income	Adjustments	Dividends	
	\$	\$	\$	\$	\$	\$
Self-supported (Government Enterprises)						
British Columbia Hydro and Power Authority	8,027	(7,667)	360			360
British Columbia Liquor Distribution Branch	3,892	(2,693)	1,199		(1,199)	
British Columbia Lottery Corporation	2,885	(1,301)	1,584		(1,584)	
Columbia Power Corporation	89	(27)	62		(47)	15
Insurance Corporation of British Columbia	5,826	(6,023)	(197)			(197)
Sub-total	<u>20,719</u>	<u>(17,711)</u>	<u>3,008</u>	<u>0</u>	<u>(2,830)</u>	<u>178</u>
British Columbia Railway Company ³	32	(39)	(7)			(7)
Columbia Basin Trust joint ventures ⁴	149	(70)	79		(80)	(1)
Great Northern Way Campus Trust ⁵	4	(6)	(2)			(2)
Heritage Realty Properties Ltd. ⁶	4	(4)				
SFU Community Trust	1		1		(18)	(17)
UBC Properties Investments Ltd.	20		20		(8)	12
Vancouver Island Technology Park Trust ⁶	6	(6)				
Miscellaneous	9	(10)	(1)			(1)
Sub-total	<u>225</u>	<u>(135)</u>	<u>90</u>	<u>0</u>	<u>(106)</u>	<u>(16)</u>
Net impact of self-supported Crown corporations and agencies	<u>20,944</u>	<u>(17,846)</u>	<u>3,098</u>	<u>0</u>	<u>(2,936)</u>	<u>162</u>

¹This schedule does not include elimination entries between entities.

²Adjusted Net Income includes the effect of contributions paid to the Consolidated Revenue Fund to indicate the impacts that the Crown corporations and agencies and the SUCH sector have made on the Consolidated Revenue Fund operating result. The Adjusted Net Income of Crown corporations and agencies and the SUCH sector combined with the Consolidated Revenue Fund operating result, after elimination entries between entities, make up the Summary Financial Statements surplus (deficit).

³Subsidiary of BC Transportation Financing Authority.

⁴Columbia Basin Trust joint ventures with Columbia Power Corporation (Brilliant Power Corporation, Brilliant Expansion Power Corporation, Arrow Lakes Power Corporation, and Waneta Expansion Power Corporation).

⁵Subsidiary owned 25% each by Emily Carr University of Art & Design, British Columbia Institute of Technology, The University of British Columbia, and Simon Fraser University.

⁶Subsidiaries of the University of Victoria.

PROVINCE OF BRITISH COLUMBIA
PUBLIC ACCOUNTS 2022/23

SUCH¹ Statement of Financial Position
as at March 31, 2023
(Unaudited)

	In Millions					
	Health Authorities & Hospital Societies ²	Universities	Colleges and Institutes	School Districts	2023 Total	2022 Total
	\$	\$	\$	\$	\$	\$
Financial Assets						
Cash and cash equivalents	2,150	866	537	1,915	5,468	5,998
Temporary investments	1	59	20	56	136	76
Accounts receivable	485	280	44	99	908	820
Inventories for resale	166	15	13	1	195	467
Due from Crown corporations, agencies and trust funds	1,864	92	28	20	2,004	618
Due from other governments	65	33	6	3	107	99
Due from self-supported Crown corporations and agencies		71	2		73	59
Equity in self-supported Crown corporations and agencies		90	14	2	106	101
Loans, advances and mortgages receivable	700	105	1	2	806	806
Other investments	5	3,352	232	73	3,662	3,732
Sinking fund investments		49	16		65	67
Financial assets before accounting adjustments	5,436	5,012	913	2,169	13,530	12,843
Policy accounting adjustments	(134)	(51)	(4)	23	(166)	(968)
Financial assets	5,302	4,961	909	2,192	13,364	11,875

SUCH¹ Statement of Financial Position
as at March 31, 2023—Continued
(Unaudited)

In Millions

	Health Authorities & Hospital Societies ²	Universities	Colleges and Institutes	School Districts	2023 Total	2022 Total
	\$	\$	\$	\$	\$	\$
Liabilities						
Accounts payable and accrued liabilities	2,891	799	287	1,185	5,162	4,348
Employee future benefits	1,537	374	101	264	2,276	2,169
Due to other governments	92	30	12		134	99
Due to Crown corporations, agencies and trust funds	79	13	2	2	96	81
Deferred revenue	10,952	7,641	1,715	8,168	28,476	26,630
Taxpayer-supported debt	1,984	860	95	22	2,961	2,866
Liabilities before accounting adjustments	17,535	9,717	2,212	9,641	39,105	36,193
Policy accounting adjustments	(7,319)	(3,014)	(1,253)	(7,482)	(19,068)	(18,010)
Liabilities	10,216	6,703	959	2,159	20,037	18,183
Net liabilities	(4,914)	(1,742)	(50)	33	(6,673)	(6,308)
Non-financial Assets						
Tangible capital assets	11,369	8,072	1,793	10,170	31,404	29,325
Restricted assets	5	2,142	49	2	2,198	2,137
Prepaid program costs	341	75	17	22	455	414
Other assets	239			3	242	304
Non-financial assets before accounting adjustments	11,954	10,289	1,859	10,197	34,299	32,180
Policy accounting adjustments	1	(6)	(6)	(4)	(15)	258
Non-financial assets	11,955	10,283	1,853	10,193	34,284	32,438
Accumulated surplus (deficit)	7,041	8,541	1,803	10,226	27,611	26,130

¹ School districts, universities, colleges, institutes, and health organizations.

² These numbers include inter-entity eliminations between Health Authorities and Hospital Societies.

PROVINCE OF BRITISH COLUMBIA
PUBLIC ACCOUNTS 2022/23

SUCH¹ Statement of Operations
for the Fiscal Year Ended March 31, 2023
(Unaudited)

In Millions

	Health Authorities & Hospital Societies ²	Universities	Colleges and Institutes	School Districts	2023 Total	2022 Total
	\$	\$	\$	\$	\$	\$
Revenue						
Contributions from the federal government	16	609	28	16	669	638
Fees and licenses	519	2,081	570	232	3,402	3,155
Contributions from the provincial government/Crown corporations and agencies	21,293	2,145	851	7,267	31,556	29,624
Miscellaneous	716	1,157	124	345	2,342	2,099
Investment income	64	257	22	47	390	323
Total revenue	22,608	6,249	1,595	7,907	38,359	35,839
Expense						
Salaries and benefits	12,215	3,954	1,127	6,506	23,802	21,948
Government transfers		346	19		365	358
Operating costs	9,405	1,113	292	1,010	11,820	10,991
Interest	123	39	4	1	167	159
Amortization	714	455	112	404	1,685	1,575
Other	356	146	37	13	552	322
Total operating expense	22,813	6,053	1,591	7,934	38,391	35,353
Surplus (deficit) for the year before accounting adjustments	(205)	196	4	(27)	(32)	486
Policy accounting adjustments	803	185	90	366	1,444	1,609
Surplus (deficit) for the year	598	381	94	339	1,412	2,095

¹ School districts, universities, colleges, institutes, and health organizations.

² These numbers include inter-entity eliminations between Health Authorities and Hospital Societies.

Summary Financial Statements
Consolidated Staff Utilization¹
for the Fiscal Year Ended March 31, 2023
(Unaudited)

	2022/23 Budget	2022/23 Actual	2021/22 Actual	Variance	
				2022/23 Actual To Budget	2022/23 vs 2021/22
Consolidated Revenue Fund ²	34,400	33,696	33,400	(704)	296
Taxpayer-supported Crown corporations and agencies ³	8,108	7,746	6,767	(362)	979
Total staff utilization	42,508	41,442	40,167	(1,066)	1,275

The table above provides a summary of full-time equivalent (FTE) employment.

¹Staff utilization is the full-time equivalent of the number of persons employed in the fiscal year whose salaries are paid by taxpayer-supported entities within the Summary Financial Statements. The figures do not include the SUCH entities or the self-supported Crown corporations and agencies.

²See the unaudited Consolidated Revenue Fund schedules at <http://gov.bc.ca/publicaccounts> for details outside these financial statements.

³See Financial Statements of Government Organizations and Enterprises at <http://gov.bc.ca/financepublications> for details outside these financial statements.

PROVINCE OF BRITISH COLUMBIA
PUBLIC ACCOUNTS 2022/23

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*Consolidated Revenue Fund
Extracts
(Unaudited)*

The following unaudited Consolidated Revenue Fund Extracts are intended to provide additional information to financial statement readers and includes details of the Consolidated Revenue Fund.

The purpose of this information is to reflect management accountability including appropriation control.

The accounting policies applied for this unaudited information are different in some cases from the generally accepted accounting principles followed for the audited Summary Financial Statements. For example, in order to reflect different management accountabilities, the Consolidated Revenue Fund nets recoveries against expenses, nets sinking funds against debt and nets sinking fund earnings against interest expense.



PROVINCE OF BRITISH COLUMBIA
PUBLIC ACCOUNTS 2022/23

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Consolidated Revenue Fund¹
Statement of Financial Position
as at March 31, 2023
(Unaudited)

	In Millions	
	2023	2022
	\$	\$
Financial Assets		
Cash and cash equivalents	4,712	2,995
Accounts receivable	6,866	6,031
Inventories for resale	77	53
Due from other governments	1,175	1,602
Due from Crown corporations and agencies	353	280
Investments in Crown corporations and agencies	594	594
Loans, advances and mortgages receivable	2,749	2,517
Other investments	354	355
Derivative financial instruments	663	
Loans for purchase of assets, recoverable from agencies	47,370	42,356
	<u>64,913</u>	<u>56,783</u>
Liabilities		
Accounts payable and accrued liabilities	11,022	6,481
Employee future benefits	893	839
Due to other governments	2,960	572
Due to Crown corporations, agencies and trust funds	5,613	3,759
Deferred revenue	2,054	1,423
Taxpayer-supported debt	56,446	58,381
Self-supported debt	28,030	26,929
Derivative financial instruments	1,031	
	<u>108,049</u>	<u>98,384</u>
Net assets (liabilities)	<u>(43,136)</u>	<u>(41,601)</u>
Non-financial Assets		
Tangible capital assets	3,617	3,476
Prepaid program costs	387	341
Other assets		80
	<u>4,004</u>	<u>3,897</u>
Accumulated operating result	<u>(39,132)</u>	<u>(37,704)</u>

¹ The Consolidated Revenue Fund includes the General Fund and the BC Prosperity Fund.

PROVINCE OF BRITISH COLUMBIA
PUBLIC ACCOUNTS 2022/23

Consolidated Revenue Fund¹
Statement of Operations
for the Fiscal Year Ended March 31, 2023
(Unaudited)

	In Millions		
	2023		2022
	Estimates ²	Actual	Actual
	\$	\$	\$
Revenue			
Taxation	39,274	48,207	39,920
Contributions from the federal government	8,685	9,581	9,537
Other revenue	1,545	1,890	1,596
Dividends	2,383	2,575	2,231
Natural resources	3,119	5,511	4,181
	<u>55,006</u>	<u>67,764</u>	<u>57,465</u>
Expense			
Health	27,679	29,054	26,943
Education	11,599	11,468	10,939
Social services	7,367	9,195	7,093
Other	7,202	5,324	2,742
Natural resources and economic development	2,921	5,014	4,445
Interest ³	1,361	1,290	1,267
Protection of persons and property	2,150	3,084	2,570
Transportation	924	2,021	1,118
General government	1,345	1,872	1,599
	<u>62,548</u>	<u>68,322</u>	<u>58,716</u>
Operating result for the year	<u>(7,542)</u>	<u>(558)</u>	<u>(1,251)</u>
Accumulated operating result —beginning of year		(37,704)	(36,453)
Net remeasurement gains and (losses)		(870)	
Accumulated operating result —end of year		<u>(39,132)</u>	<u>(37,704)</u>

¹The Consolidated Revenue Fund includes the General Fund and the BC Prosperity Fund.

²The estimated amount consists of the Main Estimates presented to the Legislative Assembly on February 22, 2022. It does not include other authorizations granted in subsequent Supplementary Estimates or under statutory authority of \$7,968 million (2022: \$2,055 million)

³Interest expense does not include the following: interest of \$1,262 million (2022: \$1,251 million) on cost of borrowing for relending to government bodies; and interest of \$7 million (2022: \$6 million) funded by sinking fund earnings. These amounts are not included because the interest expense and recovery are offsetting.

Consolidated Revenue Fund¹
Statement of Remeasurement Gains and Losses
for the Fiscal Year Ended March 31, 2023
(Unaudited)

	In Millions	
	2023	2022
	\$	\$
Accumulated remeasurement gains (losses) – beginning of year	0	0
Adjustments for adoption of the financial instruments–related standards:		
Foreign exchange	120	
Derivatives	144	
Portfolio investments	12	
Total adjusted accumulated remeasurement gains (losses) – beginning of year	276	0
Changes in unrealized gains (losses) attributable to:		
Foreign exchange	(1,125)	
Derivatives	287	
Portfolio investments	(43)	
Total changes in unrealized gains (losses)	(881)	0
Amounts reclassified to the statement of operations:		
Foreign exchange	533	
Derivatives	(798)	
Total reclassified to the statement of operations	(265)	0
Total remeasurement gains (losses) attributable to:		
Foreign exchange	(472)	
Derivatives	(367)	
Portfolio investments	(31)	
Accumulated remeasurement gains (losses) – end of year	(870)	0

¹ The Consolidated Revenue Fund includes the General Fund and the BC Prosperity Fund.

PROVINCE OF BRITISH COLUMBIA
PUBLIC ACCOUNTS 2022/23

General Fund
Statement of Financial Position
as at March 31, 2023
(Unaudited)

	In Millions	
	2023	2022
	\$	\$
Financial Assets		
Cash and cash equivalents	4,152	2,455
Accounts receivable	6,866	6,031
Inventories for resale	77	53
Due from other governments	1,175	1,602
Due from Crown corporations and agencies	353	280
Investments in Crown corporations and agencies	594	594
Loans, advances and mortgages receivable	2,749	2,517
Other investments	354	355
Derivative financial instruments	663	
Loans for purchase of assets, recoverable from agencies	47,370	42,356
	64,353	56,243
Liabilities		
Accounts payable and accrued liabilities	11,022	6,481
Employee future benefits	893	839
Due to other governments	2,960	572
Due to Crown corporations, agencies and trust funds	5,613	3,759
Deferred revenue	2,054	1,423
Taxpayer-supported debt	56,446	58,381
Self-supported debt	28,030	26,929
Derivative financial instruments	1,031	
	108,049	98,384
Net assets (liabilities)	(43,696)	(42,141)
Non-financial Assets		
Tangible capital assets	3,617	3,476
Prepaid program costs	387	341
Other assets		80
	4,004	3,897
Accumulated operating result	(39,692)	(38,244)

**General Fund
Statement of Operations
for the Fiscal Year Ended March 31, 2023
(Unaudited)**

	In Millions		
	2023		2022
	Estimates	Actual	Actual
	\$	\$	\$
Revenue			
Taxation	39,274	48,207	39,920
Contributions from the federal government	8,685	9,581	9,537
Other revenue	1,541	1,870	1,593
Dividends	2,383	2,575	2,231
Natural resources	3,119	5,511	4,181
	<u>55,002</u>	<u>67,744</u>	<u>57,462</u>
Expense			
Health	27,679	29,054	26,943
Education	11,599	11,468	10,939
Social services	7,367	9,195	7,093
Other	7,202	5,324	2,742
Natural resources and economic development	2,921	5,014	4,445
Interest	1,361	1,290	1,267
Protection of persons and property	2,150	3,084	2,570
Transportation	924	2,021	1,118
General government	1,345	1,872	1,599
	<u>62,548</u>	<u>68,322</u>	<u>58,716</u>
Operating result for the year	<u>(7,546)</u>	<u>(578)</u>	<u>(1,254)</u>
Accumulated operating result — beginning of year		(38,244)	(36,990)
Net remeasurement gains and (losses)		(870)	
Accumulated operating result—end of year		<u>(39,692)</u>	<u>(38,244)</u>

PROVINCE OF BRITISH COLUMBIA
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BC Prosperity Fund
Statement of Financial Position
as at March 31, 2023
(Unaudited)

	In Millions	
	2023	2022
	\$	\$
Financial Assets		
Cash and cash equivalents	560	540
	<u>560</u>	<u>540</u>
Accumulated operating result	<u>560</u>	<u>540</u>

BC Prosperity Fund
Statement of Operations
for the Fiscal Year Ended March 31, 2023
(Unaudited)

	In Millions		
	2023		2022
	Estimates	Actual	Actual
	\$	\$	\$
Revenue			
Other revenue	4	20	3
	<u>4</u>	<u>20</u>	<u>3</u>
Operating result for the year	<u>4</u>	<u>20</u>	<u>3</u>
Accumulated operating result—beginning of year		540	537
Accumulated operating result—end of year		<u>560</u>	<u>540</u>

**Consolidated Revenue Fund
Statement of Cash Flow
for the Fiscal Year Ended March 31, 2023
(Unaudited)**

	In Millions			
	2023		2022	
	Receipts	Disbursements	Net	Net
\$	\$	\$	\$	
Operating Transactions				
Operating result for the year			(558)	(1,251)
Non cash items included in surplus (deficit):				
Amortization of tangible capital assets			318	291
Amortization of public debt deferred revenue and deferred charges			(25)	(51)
Concessionary loan adjustments increase			10	5
(Gain) on sale of tangible capital assets			(2)	(1)
Valuation adjustments			38	19
Accounts receivable (increase)			(830)	(736)
Due from other governments decrease (increase)			427	(34)
Due from self-supported Crown corporations and agencies (increase)			(73)	(70)
Accounts payable increase			4,541	944
Employee future benefits increase			54	115
Due to other governments increase			2,388	32
Due to Crown corporations, agencies and funds increase			1,854	250
Employee pension plan (decrease)				(1)
Items applicable to future operations increase			1,465	45
Cash derived from (used for) operations			<u>9,607</u>	<u>(443)</u>
Capital Transactions				
Tangible capital assets dispositions (acquisitions)	<u>12</u>	<u>(470)</u>	<u>(458)</u>	<u>(377)</u>
Cash (used for) capital	<u>12</u>	<u>(470)</u>	<u>(458)</u>	<u>(377)</u>
Investment Transactions				
Loans, advances and mortgages receivable issues	256	(540)	(284)	(220)
Other investments—net increase	4	(20)	(16)	(1)
Cash (used for) investments	<u>260</u>	<u>(560)</u>	<u>(300)</u>	<u>(221)</u>
Total cash inflows (requirements)			<u>8,849</u>	<u>(1,041)</u>

PROVINCE OF BRITISH COLUMBIA
PUBLIC ACCOUNTS 2022/23

Consolidated Revenue Fund
Statement of Cash Flow
for the Fiscal Year Ended March 31, 2023—Continued
(Unaudited)

	In Millions			
	2023		2022	
	Receipts	Disbursements	Net	Net
	\$	\$	\$	\$
Total cash inflows (requirements) carried forward from previous page			8,849	(1,041)
Financing Transactions¹				
Public debt (decrease) increase	24,842	(26,161)	(1,319)	3,249
(Used for) purchase of assets, recoverable from agencies	13,762	(19,575)	(5,813)	(2,087)
Cash (used for) derived from financing	38,604	(45,736)	(7,132)	1,162
Increase in cash and cash equivalents			1,717	121
Cash and cash equivalents—beginning of year			2,995	2,874
Cash and cash equivalents—end of year			4,712	2,995
Cash and cash equivalents are made up of:				
Cash			4,397	2,943
Cash equivalents			315	52
			4,712	2,995

¹ Financing transaction receipts are from debt issues and disbursements are for debt repayments.

Consolidated Revenue Fund
Schedule of Net Revenue by Source
for the Fiscal Year Ended March 31, 2023
(Unaudited)

	In Millions		
	2023		2022
	Estimates	Actual	Actual
	\$	\$	\$
Taxation Revenue¹			
Personal income	12,848	17,268	13,704
Provincial sales	9,002	9,811	8,727
Corporate income	5,501	9,156	5,053
Property	2,960	3,024	2,816
Property transfer	2,500	2,292	3,327
Employer health	2,257	2,720	2,443
Carbon	2,311	2,161	2,011
Tobacco	760	531	708
Fuel	566	555	546
Other	660	804	706
Commissions on collection of public funds	(69)	(79)	(75)
Valuation adjustments	(22)	(36)	(46)
Total taxation revenue	<u>39,274</u>	<u>48,207</u>	<u>39,920</u>
Contributions from the Federal Government			
Canada health and social transfers	8,363	8,606	8,541
Other contributions	322	975	996
Total contributions from the federal government	<u>8,685</u>	<u>9,581</u>	<u>9,537</u>
Other Revenue			
Motor vehicle licences and permits	614	613	610
Other fees and licences	518	607	573
Investment earnings	78	267	99
Miscellaneous	339	438	347
Asset dispositions	34	2	1
Commissions on collection of public funds	(7)	(6)	(7)
Valuation adjustments	(31)	(31)	(27)
Total other revenue	<u>1,545</u>	<u>1,890</u>	<u>1,596</u>
Dividends			
Self-supported Crown corporations			
British Columbia Liquor Distribution Branch	1,160	1,198	1,189
British Columbia Lottery Corporation	1,176	1,330	995
Columbia Power Corporation	47	47	47
Total dividends	<u>2,383</u>	<u>2,575</u>	<u>2,231</u>

PROVINCE OF BRITISH COLUMBIA
PUBLIC ACCOUNTS 2022/23

Consolidated Revenue Fund
Schedule of Net Revenue by Source
for the Fiscal Year Ended March 31, 2023—Continued
(Unaudited)

	In Millions		
	2023		2022
	Estimated	Actual	Actual
Natural Resource Revenue²			
Forests	1,065	1,774	1,837
Petroleum, natural gas and minerals	1,358	2,932	1,690
Water and other	704	822	662
Commissions on collection of public funds	(1)	(1)	(1)
Valuation adjustments	(7)	(16)	(7)
Total natural resource revenue	3,119	5,511	4,181
Net Consolidated Revenue Fund Revenue	55,006	67,764	57,465
Revenue Collected for and Transferred to Crown Corporations, Agencies and Other Entities³			
Ministry of Energy, Mines and Low Carbon Innovation			
British Columbia Energy Regulator	(44)	(48)	(44)
Ministry of Finance			
British Columbia Transit	(18)	(18)	(18)
BC Transportation Financing Authority	(474)	(455)	(462)
Cowichan Tribes	(4)	(4)	(4)
Municipalities or Eligible Entities	(53)	(118)	(63)
Rural Areas	(430)	(457)	(423)
South Coast British Columbia Transportation Authority	(398)	(400)	(400)
Ministry of Forests			
Habitat Conservation Trust	(6)	(6)	(5)
Ministry of Indigenous Relations and Reconciliation			
British Columbia First Nations Gaming Revenue Sharing Limited Partnership	(101)	(114)	(91)
Total	(1,528)	(1,620)	(1,510)

¹Personal income tax and corporate income tax revenues are recorded after deductions for non-refundable tax credits. Deductions allowable in the calculation of personal income tax revenue were \$176 million (2022: \$110 million) and corporate income tax were \$232 million (2022: \$127 million). The types of tax credits adjusting personal income tax and corporation income tax revenues are for foreign taxes, logging taxes, venture capital, scientific and experimental development tax, and mining flow-through share.

Personal income tax revenue was also reduced by \$199 million (2022: \$191 million) for the BC Tax Reduction.

Personal and corporate income tax refunds related to prior years may be issued under the *International Business Activity Act*. Corporate income tax refunds were \$3 million (2022: \$10 million).

Property tax revenue was recorded net of home owner grants of \$892 million (2022: \$878 million).

²Oil and gas royalty revenues are reported after adjustments for various royalty deduction programs such as producer cost of service allowances, deep well, marginal, ultra marginal, low production, net profit, new pool discovery and road construction. Deductions allowable in the calculation of royalty revenue were \$1,671 million (2022: \$1,517 million). Natural resource revenue includes mining taxes of \$801 million (2022: \$660 million) and logging taxes of \$403 million (2022: \$154 million).

The province offers credits for certain costs incurred by producers including the deep well, road and summer drilling programs. Deep well credits of \$2,215 million (2022: \$2,838 million), road credits of \$10 million (2022: \$14 million) and summer drilling credits of \$3 million (2022: \$3 million) have been incurred by producers and will reduce future natural gas royalties payable when wells go into production.

³The revenue collected for and transferred to Crown corporations, agencies and other entities has not been included in the Consolidated Revenue Fund.

Consolidated Revenue Fund
Schedule of Comparison of Estimated Expenses to Actual Expenses
for the Fiscal Year Ended March 31, 2023
(Unaudited)

	In Thousands			
	Estimates	Other Authorizations	Total	Actual
	\$	\$	\$	\$
Special Offices, Ministries and Other Appropriations				
Legislative Assembly	91,983		91,983	87,342
Officers of the Legislature	87,077	7,553	94,630	91,301
Office of the Premier	14,692		14,692	14,194
Agriculture and Food	107,021	185,577	292,598	292,490
Attorney General	1,374,030	(566,218)	807,812	804,982
Children and Family Development	1,742,045	1,555	1,743,600	1,742,821
Citizens' Services	656,645	111,733	768,378	767,542
Education and Child Care	8,217,449	16,581	8,234,030	8,220,031
Emergency Management and Climate Readiness		820,946	820,946	818,323
Energy, Mines and Low Carbon Innovation	111,959	287,992	399,951	399,038
Environment and Climate Change Strategy	367,946	213,280	581,226	574,292
Finance	1,221,177	2,870,621	4,091,798	4,048,429
Forests	832,516	357,567	1,190,083	1,181,461
Health	25,455,895	928,889	26,384,784	26,336,341
Housing		897,387	897,387	897,254
Indigenous Relations and Reconciliation	177,919	600,041	777,960	776,763
Jobs, Economic Development and Innovation	110,926	114,498	225,424	225,166
Labour	17,423	17,044	34,467	34,339
Mental Health and Addictions	24,602	172,983	197,585	197,585
Municipal Affairs	259,814	1,663,933	1,923,747	1,921,886
Post-Secondary Education and Future Skills	2,612,688	79,512	2,692,200	2,691,618
Public Safety and Solicitor General	1,393,726	(265,405)	1,128,321	1,121,452
Social Development and Poverty Reduction	4,456,033	233,768	4,689,801	4,688,364
Tourism, Arts, Culture and Sport	173,385	254,878	428,263	427,233
Transportation and Infrastructure	955,980	1,088,382	2,044,362	2,043,188
Water, Land and Resource Stewardship	92,008	372,450	464,458	464,454
Management of Public Funds and Debt	1,361,388	(7,137)	1,354,251	1,290,311
Contingencies (All Ministries) and New Programs ¹	4,848,000	(4,366,064)	481,936	(9,098)
Capital Funding	3,733,581		3,733,581	2,247,797
Commissions on Collection of Public Funds	1		1	
Allowances for Doubtful Revenue Accounts	1		1	
Tax Transfers	2,044,000	1,875,400	3,919,400	3,919,400
Electoral Boundaries Commission	2,194		2,194	1,476
Forest Practices Board	3,896		3,896	3,887
Total expense	62,548,000	7,967,746	70,515,746	68,321,662

PROVINCE OF BRITISH COLUMBIA
PUBLIC ACCOUNTS 2022/23

Consolidated Revenue Fund
Schedule of Comparison of Estimated Expenses to Actual Expenses
for the Fiscal Year Ended March 31, 2023—Continued
(Unaudited)

	In Thousands			
	Estimated	Other Authorizations	Total	Actual
	\$	\$	\$	\$
Summary of Appropriations				
Voted expense	61,245,194	5,165,062	66,410,256	64,279,573
Statutory				
Various Acts	850	1,508,656	1,509,506	1,468,656
Special Accounts	1,384,409	1,393,413	2,777,822	2,755,271
Inter-account transfers	(82,453)	(99,385)	(181,838)	(181,838)
Total expense by appropriation 2022/23	<u>62,548,000</u>	<u>7,967,746</u>	<u>70,515,746</u>	<u>68,321,662</u>
Total expense by appropriation 2021/22	<u>58,306,000</u>	<u>2,054,738</u>	<u>60,360,738</u>	<u>58,716,114</u>

¹ The budget for contingencies has been reallocated to ministries with approved access.

Consolidated Revenue Fund
Schedule of Financing Transaction Disbursements
for the Fiscal Year Ended March 31, 2023
(Unaudited)

	In Thousands			
	Estimated	Other	Total	Actual
	\$	Authorizations \$	\$	\$
Special Offices, Ministries and Other Appropriations				
All Ministries		281,271	281,271	281,271
Legislative Assembly	9,473		9,473	4,997
Officers of the Legislature	2,096		2,096	875
Office of the Premier	3		3	
Agriculture and Food	1,229		1,229	910
Attorney General	15,087		15,087	9,753
Children and Family Development	1,000		1,000	828
Citizens' Services	466,510		466,510	328,722
Education and Child Care	3		3	1
Emergency Management and Climate Readiness	495		495	14
Energy, Mines and Low Carbon Innovation	44,586	3,869	48,455	48,423
Environment and Climate Change Strategy	52,914		52,914	33,762
Finance	1,916,002	160,744	2,076,746	2,005,636
Forests	188,411		188,411	138,507
Health	30	11,002	11,032	11,032
Indigenous Relations and Reconciliation	135,263	12,646	147,909	135,507
Jobs, Economic Development and Innovation	3		3	1
Labour	3		3	
Mental Health and Addictions	3		3	
Municipal Affairs	2,354		2,354	1,519
Post-Secondary Education and Future Skills	504		504	54
Public Safety and Solicitor General	3,169		3,169	2,407
Social Development and Poverty Reduction	1,822		1,822	
Tourism, Arts, Culture and Sport	603		603	142
Transportation and Infrastructure	5,005		5,005	2,137
Water, Land and Resource Stewardship	245		245	189
Contingencies (All Ministries) and New Programs	125,150	(11,002)	114,148	
Total financing transaction disbursements	2,971,963	458,530	3,430,493	3,006,687
Summary of Appropriations				
Loans, investments and other requirements	689,089	347,695	1,036,784	929,040
Revenue collected for, and transferred to, other entities	1,528,200	110,835	1,639,035	1,619,937
Capital expenditures	754,674		754,674	457,710
Total financing transactions by appropriation	2,971,963	458,530	3,430,493	3,006,687

PROVINCE OF BRITISH COLUMBIA
PUBLIC ACCOUNTS 2022/23

Consolidated Revenue Fund
Schedule of Write-offs, Extinguishments and Remissions
for the Fiscal Year Ended March 31, 2023
(Unaudited)

	In Millions		
	Assets, Debts and Obligations Written Off	Debts and Obligations Extinguished	Remissions Made
	\$	\$	\$
Ministry			
Ministry of Attorney General	1		
Ministry of Children and Family Development	3		
Ministry of Citizens' Services	5		
Ministry of Energy, Mines and Low Carbon Innovation			3
Ministry of Finance	216	14	9
Ministry of Health	6		
Ministry of Jobs, Economic Development and Innovation	1		
Ministry of Public Safety and Solicitor General	9		
Ministry of Social Development and Poverty Reduction	4	7	
Total 2022/23	245	21	12
Total 2021/22	69	20	4

This statement includes amounts authorized by sections 17, 18 and 19 of the Financial Administration Act. Amounts authorized for write-off, forgiveness or remission by other statutes are not shown separately in these financial statements.

This schedule is produced as required under Section 9(2)(d)(ii),(iii) and (iv) of the Budget Transparency and Accountability Act.

*Provincial Debt
Summary
(Unaudited)*

The following unaudited Provincial Debt Summary information is intended to provide additional information to financial statement readers.

The accounting policies applied to this unaudited information are different, in some cases, from the *Budget Transparency and Accountability Act* (BTAA); which requires generally accepted accounting principles (GAAP) for senior governments in Canada, supported by regulations of Treasury Board under the BTAA, and that are followed for the audited Summary Financial Statements. The Provincial Debt Summary figures include guaranteed debt in the calculation of total debt; calculate debt, interest costs and revenue as if the modified equity enterprises were consolidated on a line-by-line basis; and do not include adjustments made to convert debt denominated in foreign currency to the exchange rate as at the fiscal year-end.



PROVINCE OF BRITISH COLUMBIA
PUBLIC ACCOUNTS 2022/23

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**Overview of Provincial Debt
(Unaudited)**

The provincial government, its Crown corporations, agencies and government organizations incur debt to fund operations and finance capital projects.

Provincial debt is reported using two basic classifications: (1) taxpayer-supported debt; and (2) self-supported debt.

Taxpayer-supported Debt—includes government direct debt, which is incurred for government operating and capital purposes, the debt of Crown corporations and agencies, school districts, universities, colleges, institutes and health organizations that require operating or debt service subsidies from the provincial government and are fully consolidated in the Summary Financial Statements. The BC Transportation Financing Authority is an example of a taxpayer-supported Crown corporation.

Self-supported Debt—includes the debt of commercial Crown corporations and agencies as well as the Warehouse Borrowing Program. Commercial Crown corporations and agencies generate sufficient revenues to cover interest costs and repay principal and may pay dividends to the province. The British Columbia Hydro and Power Authority is an example of a commercial Crown corporation. The Warehouse Borrowing Program takes advantage of borrowing opportunities in advance of requirements. Eventually, this debt is allocated to the province or Crown corporations and agencies. In the interim, the funds are invested at market rates.

The *Finance Statutes (Deficit Authorization and Debt Elimination) Amendment Act, 2009* requires that effective April 1, 2013, any increase in cash and cash equivalents in the Consolidated Revenue Fund must be applied to reduce or eliminate any provincial government direct operating debt. Supplementary estimates may not be presented to the Legislative Assembly if the most recent quarterly report includes a forecast that there will be provincial government direct operating debt at the end of the fiscal year to which the quarterly report applies. Under the *Economic Stabilization (COVID-19) Act, 2020*, this section of the Act does not apply for fiscal years 2020/21–2023/24.

The following provincial debt summary provides additional detailed information and related key indicators and benchmarks to allow a more informed assessment of the debt totals. A reconciliation is also provided to explain the differences between the Summary of Provincial Debt and the Summary Financial Statements.

The total provincial net debt as at March 31, 2023 was \$89,426 million, which consists of \$88,896 million in the Summary Financial Statements and excludes the unrealized foreign exchange loss of \$472 million of hedged foreign denominated debt translated to the March 31, 2023 exchange rates, in addition to \$1,508 million of debt included as part of equity in self-supported Crown corporations and agencies and \$15 million of guaranteed debt less \$521 million of sinking fund investments.

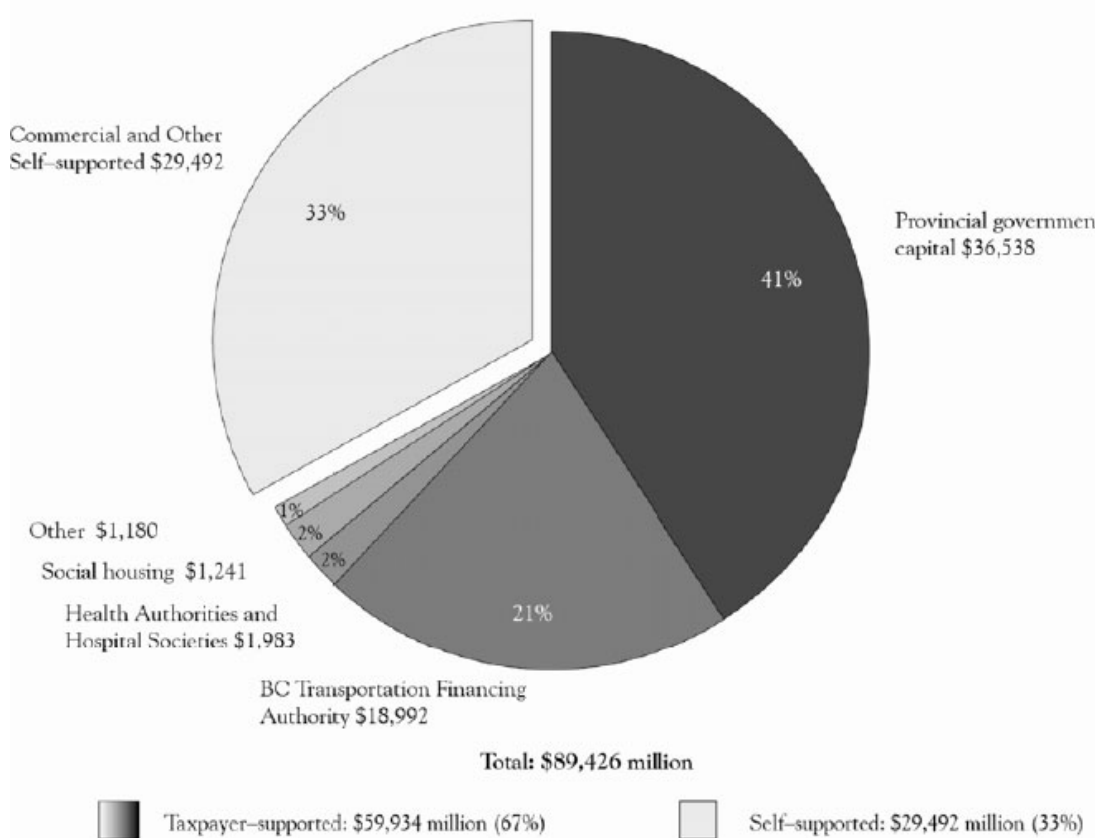
**Provincial Debt
as at March 31, 2023
(Unaudited)**

The accumulated provincial net debt of \$89,426 million has been incurred for various purposes as shown in Chart 1 below. Over the years, the proceeds from borrowings have contributed to economic development in the province and have provided resources to deliver health, education and social programs, and transportation infrastructure.

At March 31, 2023, taxpayer-supported net debt totalled \$59,934 million including government capital (\$36,538 million), BC Transportation Financing Authority (\$18,992 million), Health Authorities and Hospital Societies (\$1,983 million), social housing (\$1,241 million), post-secondary institutions (\$910 million) and other debt (\$270 million). Other debt is comprised mainly of debt related to BC Pavilion Corporation, BC Transit, InBC Investment Corporation, and school districts.

At March 31, 2023, self-supported debt totalled \$29,492 million including debt of commercial Crown corporations and agencies: British Columbia Hydro and Power Authority (\$26,707 million), Columbia Basin power projects (\$1,298 million), commercial subsidiaries of certain post-secondary institutions (\$685 million), Columbia Power Corporation (\$270 million), British Columbia Lottery Corporation (\$201 million), British Columbia Liquor Distribution Branch (\$242 million), and debt of other government business enterprises (\$89 million). Debt of other government business enterprises is debt related to Columbia Basin Trust’s share of real estate investment joint ventures, and the Insurance Corporation of British Columbia.

Chart 1 – Provincial debt as at March 31, 2023
In Millions/Percent of Total



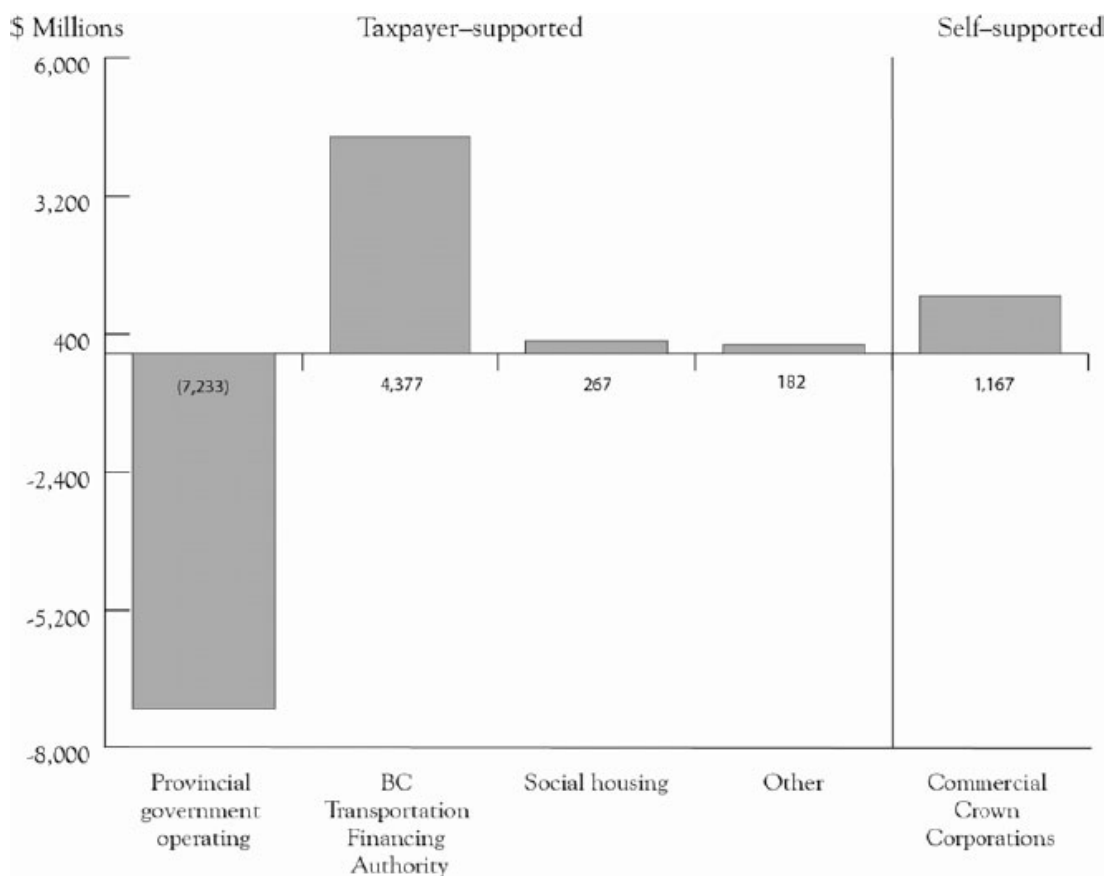
Change in Provincial Debt¹
(Unaudited)

Provincial debt decreased by \$1,240 million in 2022/23 when compared to the prior year. This includes a decrease in taxpayer-supported debt of \$2,407 million and an increase in self-supported debt of \$1,167 million. Warehouse Program debt was nil at fiscal year-end. Chart 2 below shows the change in provincial debt for the year ended March 31, 2023.

Taxpayer-supported Debt—Decreased by \$2,407 million due to a reduction of debt of \$7,233 million for government operating requirements. Offset by \$4,377 million for BC Transportation Financing Authority, \$267 million for social housing, and \$182 million for Other, which is comprised of: \$144 million for Health Authorities and Hospital Societies, \$51 million to fund government capital requirements, offset by a net \$13 million reduction in other taxpayer-supported entities.

Self-supported Debt—Increased by \$1,167 million due to new capital financing requirements of \$1,096 million for British Columbia Hydro and Power Authority, \$70 million for post-secondary institutions' subsidiaries and a net increase of \$1 million in other commercial Crown corporations and agencies.

Chart 2 – Change in provincial debt for the year ended March 31, 2023



¹Includes gross new borrowings plus changes in sinking fund balances less debt maturities.

**Reconciliation of Summary Financial Statements' Deficit (Surplus)
to Change in Taxpayer-supported Debt and Total Debt
for the Fiscal Year Ended March 31, 2023
(Unaudited)**

	In Millions	
	2023	2022
	\$	\$
(Surplus) for the year	(704)	(1,265)
Taxpayer-supported debt decreased by:		
Non-cash expenses included in (surplus)	(3,287)	(2,808)
Accounts receivable, accounts payable and other working capital net changes	(5,766)	(3,111)
Foreign exchange adjustments	(416)	
	<u>(9,469)</u>	<u>(5,919)</u>
Taxpayer-supported debt increased by:		
Self-supported Crown corporation and agency earnings in excess of contributions to the Consolidated Revenue Fund	301	2,943
Tangible capital asset net acquisitions	6,572	5,955
Net increases in loans, advances and investments	893	877
	<u>7,766</u>	<u>9,775</u>
Net (decrease) increase in taxpayer-supported debt	(2,407)	2,591
Taxpayer-supported debt—beginning of year	62,341	59,750
Taxpayer-supported debt—end of year	59,934	62,341
Self-supported debt	29,492	28,325
Total debt¹	<u>89,426</u>	<u>90,666</u>

**Reconciliation of Total Debt to Summary Financial Statements' Debt
as at March 31, 2023
(Unaudited)**

	In Millions	
	2023	2022
	\$	\$
Total debt	89,426	90,666
Debt included as part of equity in self-supported Crown corporations and agencies	(1,508)	(1,386)
Contingent liabilities for debt of individuals and organizations that have been guaranteed by the province	(15)	(16)
Sinking fund investments	521	510
Foreign exchange adjustments.	472	
Summary Financial Statements' debt.	<u>88,896</u>	<u>89,774</u>
Comprised of:		
Taxpayer-supported debt	60,564	62,565
Self-supported debt	28,332	27,209
Summary Financial Statements' debt	<u>88,896</u>	<u>89,774</u>

¹See Summary of Provincial Debt, page 149.

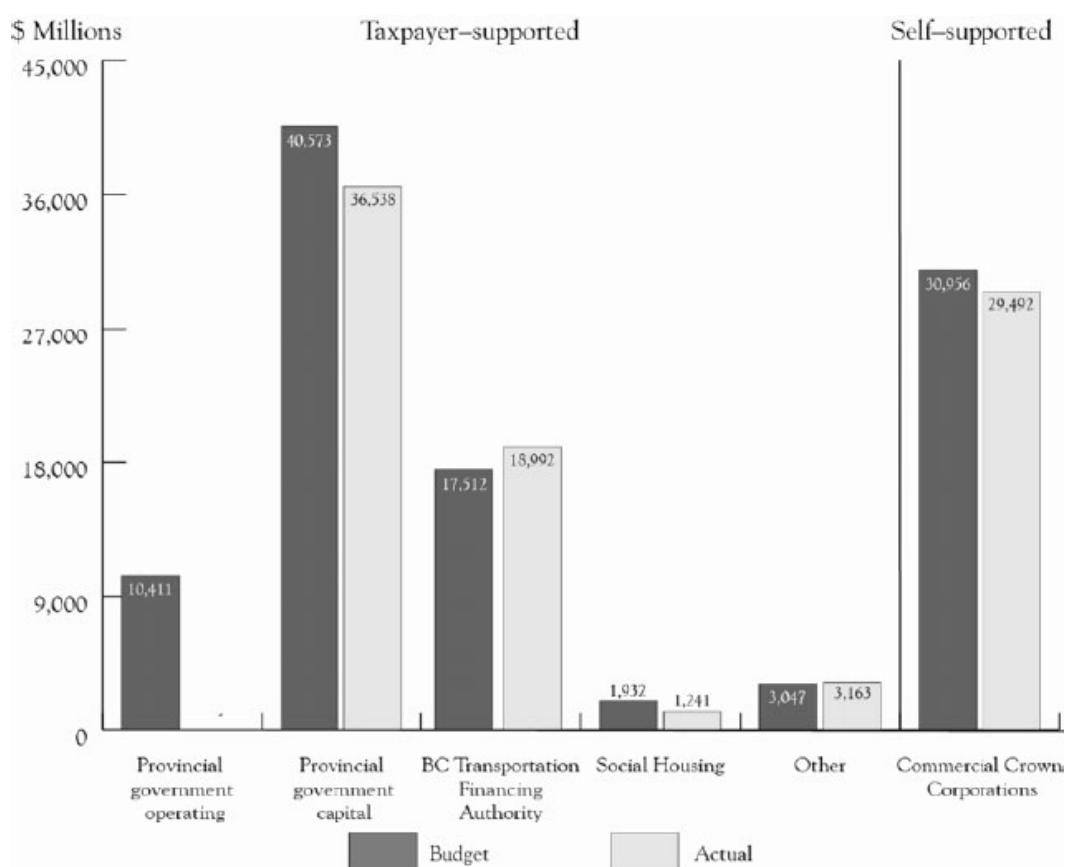
**Change in Provincial Debt,
Comparison to Budget
(Unaudited)**

Provincial debt decreased by \$1,240 million compared to a budgeted increase of \$14,765 million resulting in a \$16,005 million decrease from budget net of the \$1,000 million forecast allowance. Chart 3 below shows the difference between the actual change in provincial debt and the budgeted change by major category.

Taxpayer-supported debt decreased by \$2,407 million compared to a budgeted increase of \$11,134 million. The \$13,541 million decrease from budget reflects the lower than forecasted borrowing for government operating requirements (\$10,411 million), government capital (\$4,035 million), Social Housing (\$691 million), and other taxpayer-supported entities (\$58 million). These decreases were offset by higher than forecasted borrowing for post-secondary institutions (\$22 million), BC Transportation Financing Authority (\$1,480 million), and Health Authorities and Hospital Societies (\$152 million).

Self-supported debt increased by \$1,167 million compared to a budgeted increase of \$2,631 million. The \$1,464 million decrease from budget is due to lower than forecasted borrowing for British Columbia Hydro and Power Authority (\$1,583 million), other self-supporting entities, primarily the Insurance Corporation of British Columbia (\$26 million), Columbia Basin power projects (\$2 million), and British Columbia Lottery Corporation (\$1 million). These decreases were partially offset by higher than forecasted borrowing for commercial subsidiaries of certain post-secondary institutions (\$110 million), British Columbia Liquor Distribution Branch (\$29 million), and Columbia Power Corporation (\$9 million).

Chart 3 – Change in provincial debt¹, comparison to budget for the year ended March 31, 2023



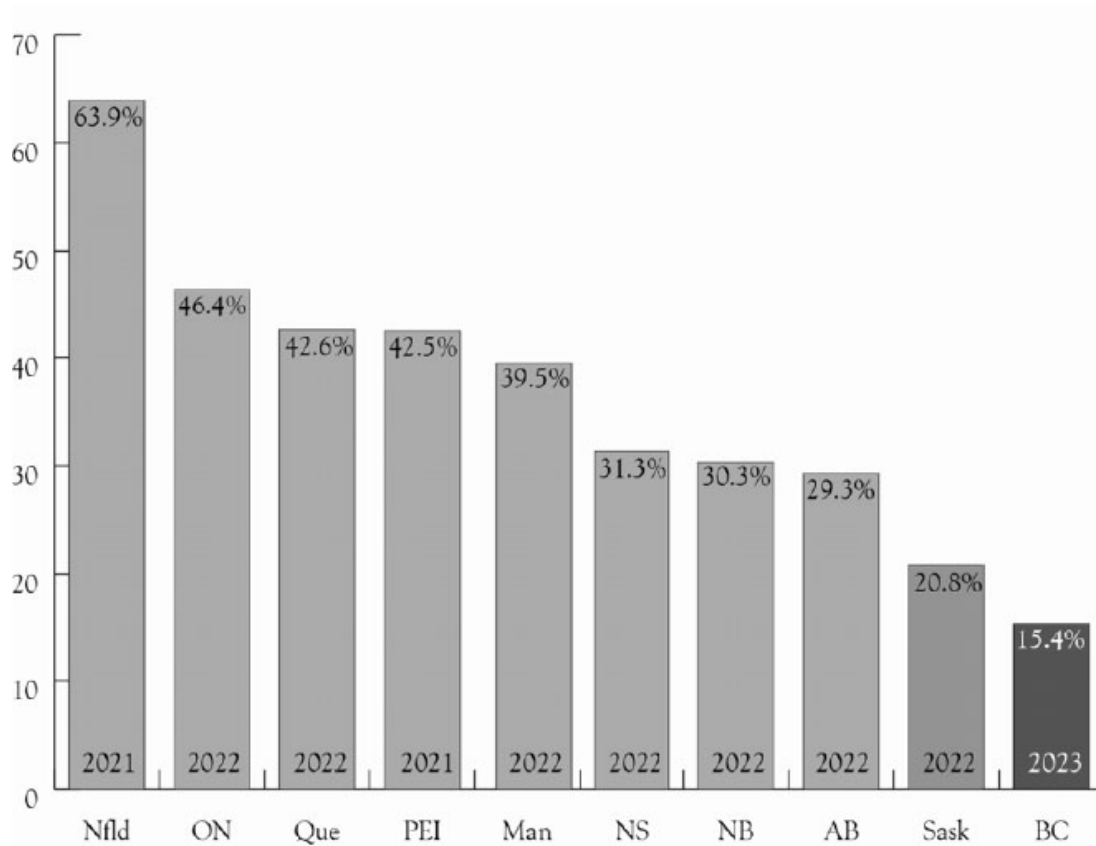
¹The change in forecast allowance is not included in this chart.

**Interprovincial Comparison of Taxpayer-supported Debt
as a Percentage of Gross Domestic Product
(Unaudited)**

Chart 4 below shows the ratio of each province's taxpayer-supported debt as a percentage of their gross domestic product (GDP). The ratio of a province's taxpayer-supported debt relative to its GDP highlights the ability of a province to service its debt load. This ratio is often used by investors and credit rating agencies when assessing a province's investment quality. According to the most recent data published by Moody's Investors Service Inc. (Moody's), British Columbia's taxpayer-supported debt ratio is one of the lowest in Canada and this translates into a strong credit rating and relatively low debt servicing costs.

Chart 4 – Interprovincial comparison of taxpayer-supported debt as a percentage of GDP

Percent of GDP at March 31



Source: Moody's Investors Service Inc. as at July 18, 2023

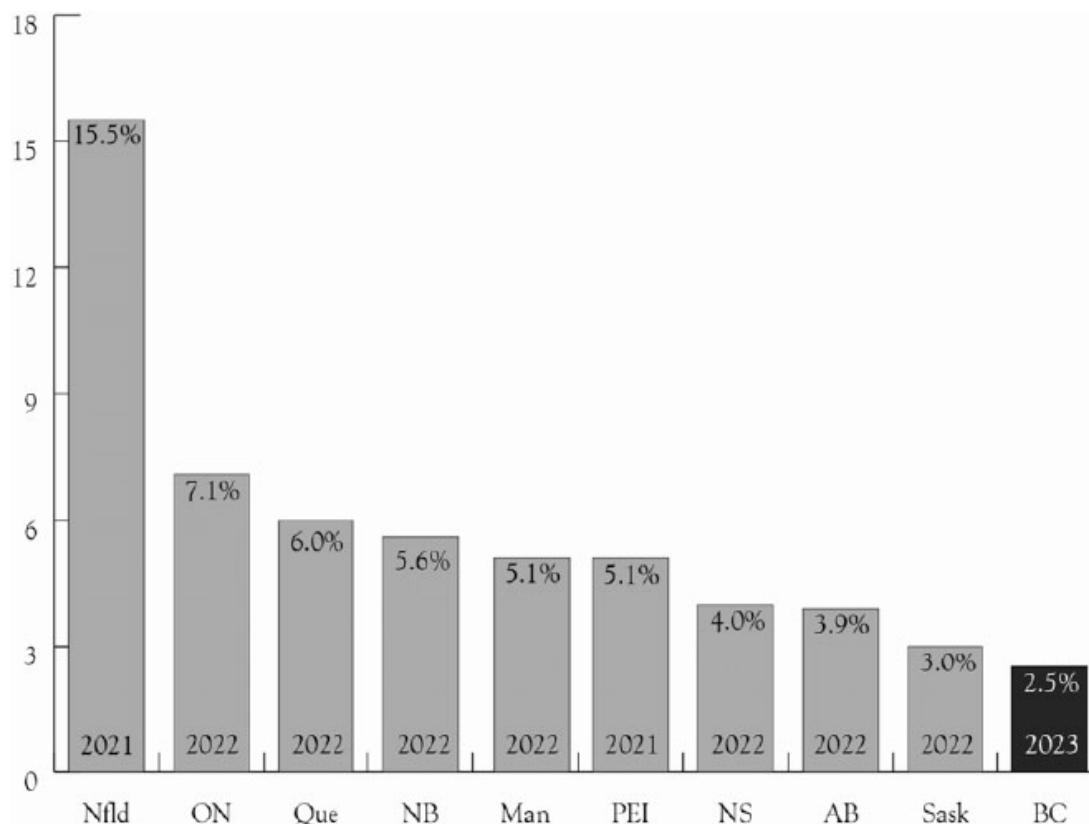
British Columbia's result as per Ministry of Finance's actuals; Moody's result for British Columbia as at March 31, 2022 was 17.1%.

**Interprovincial Comparison of Taxpayer-supported Debt
Service Costs as a Percentage of Revenue
(Unaudited)**

Chart 5 shows the ratio (interest bite) of each province’s taxpayer-supported debt servicing costs as a percentage of revenue. The interest bite indicates how much of each dollar of provincial revenue is used to pay for taxpayer-supported debt service costs. According to the most recent data published by Moody’s, British Columbia has one of the lowest taxpayer-supported debt service costs as a percentage of revenue of all provinces.

Chart 5 – Interprovincial comparison of taxpayer-supported debt service costs as a percentage of revenue

Percent of revenue at March 31



Source: Moody’s Investors Service Inc. as at July 18, 2023
British Columbia’s result as per Ministry of Finance’s actuals; Moody’s result for British Columbia as at March 31, 2022 was 2.6%.

Moody’s definition of taxpayer-supported debt is modestly different from the definition used by the Ministry of Finance. The financial community has not agreed upon a definition for taxpayer-supported debt. The definition used by Moody’s is the closest to that employed by the ministry, however there are small differences. The value of presenting Moody’s debt indicators is that it provides an interprovincial comparison from a third party source, which is helpful for readers to understand the province’s relative performance and ranking.

More comprehensive information on the debt of the province and its Crown corporations and agencies is provided on the Debt Management Branch website. This detailed information can assist readers in assessing the province’s debt position. The website is available online at: www.fin.gov.bc.ca/PT/dmb/index.shtml.

PROVINCE OF BRITISH COLUMBIA
PUBLIC ACCOUNTS 2022/23

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Independent Auditor's Report

To the Minister of Finance, Province of British Columbia

Opinion

I have audited the accompanying debt-related statements of the Government of the Province of British Columbia ("government"), which comprise the summary of provincial debt as at March 31, 2023, the key indicators of provincial debt and the summary of performance measures for the year then ended, and a summary of significant accounting policies and other explanatory information.

In my opinion, the summary of provincial debt as at March 31, 2023, the key indicators of provincial debt and the summary of performance measures for the year then ended are prepared, in all material respects, in accordance with the basis of accounting as described in the notes to the debt-related statements.

Basis for Opinion

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the debt-related statements section of my report. I am independent of the government in accordance with the ethical requirements that are relevant to my audit of the debt-related statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

Emphasis of matter – basis of accounting

I draw attention to the notes to the debt-related statements, which describe the basis of accounting. Through the debt-related statements, the government reports to the Legislative Assembly on its debt management by presenting five years of information on provincial debt and debt indicators, and compares its actual results of performance measure to its target measures for the fiscal year ended March 31, 2023. As a result, the debt-related statements may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Other accompanying information

Government is responsible for the other information in the annual Public Accounts.

My opinion on the debt-related statements does not cover other information in the Public Accounts that accompanies the debt-related statements and, except for my independent auditor's report on the Summary Financial Statements, I do not express any form of assurance conclusion thereon.

In connection with my audit of the debt-related statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the debt-related statements or my knowledge obtained during the audit or otherwise appears to be materially misstated.

Prior to the date of my auditor's report, I obtained a copy of the Public Accounts. If, based on the work I have performed on the other information, I conclude that there is a material misstatement therein, I am required to report that fact in this auditor's report. Other than the material misstatements described in the other accompanying information of my independent auditor's report on the Summary Financial Statements, I have nothing to report in this regard.

Government's Responsibilities for the Debt-Related Statements

Government is responsible for determining the appropriateness of the stated basis of accounting as described in the notes to the debt-related statements and for the preparation of the debt-related statements in accordance with the stated basis of accounting. Government is also responsible for such internal control as government determines is necessary to enable the preparation of the debt-related statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Debt-Related Statements

My objectives are to obtain reasonable assurance about whether the debt-related statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of the debt-related statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the debt-related statements, whether due to fraud or error; design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by government.
- Evaluate the overall presentation, structure and content of the debt-related statements, and whether it represents the underlying transactions and events in a manner that complies with the basis of accounting described in the notes to the debt-related statements.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

/s/ Michael A. Pickup

Michael A. Pickup, FCPA, FCA
Auditor General of British Columbia

Victoria, British Columbia, Canada
August 22, 2023

**Summary of Provincial Debt¹
as at March 31**

	In Millions				
	2023	2022	2021	2020	2019
	\$	\$	\$	\$	\$
Taxpayer-supported Debt					
Provincial government direct operating					
Provincial government operating		7,233	8,746		
Capital					
K-12 education ²	10,893	11,342	10,529	9,757	8,885
Post-secondary institutions ²	5,502	5,732	5,426	4,917	4,607
Health facilities ²	8,286	8,223	7,484	6,705	6,173
Ministries general capital	4,549	4,087	3,702	3,133	2,363
Transportation ²	5,391	5,401	5,401	5,401	5,401
Social housing ³	1,648	1,424	1,062	805	619
Other ⁴	269	278	268	252	242
Total Capital	<u>36,538</u>	<u>36,487</u>	<u>33,872</u>	<u>30,970</u>	<u>28,290</u>
Total provincial government	<u>36,538</u>	<u>43,720</u>	<u>42,618</u>	<u>30,970</u>	<u>28,290</u>
Taxpayer-supported entities					
British Columbia Pavilion Corporation	126	129	132	135	138
British Columbia Transit	53	56	60	65	73
BC Transportation Financing Authority	18,992	14,615	13,321	12,193	11,293
Health Authorities and Hospital Societies	1,983	1,839	1,875	1,802	1,795
InBC Investment Corporation	21	19	37	45	70
Post-secondary institutions	910	922	882	753	763
School districts	21	25	24	18	19
Social housing ³	1,241	974	770	222	225
Other ⁴	49	42	31	26	15
Total taxpayer-supported entities	<u>23,396</u>	<u>18,621</u>	<u>17,132</u>	<u>15,259</u>	<u>14,391</u>
Total taxpayer-supported debt	<u>59,934</u>	<u>62,341</u>	<u>59,750</u>	<u>46,229</u>	<u>42,681</u>
Self-supported Debt					
Commercial Crown corporations and agencies					
British Columbia Hydro and Power Authority	26,707	25,611	24,650	23,238	22,064
British Columbia Lottery Corporation	201	195	228	233	100
Columbia Basin Trust joint ventures ⁵	1,298	1,319	1,349	1,387	418
Columbia Power Corporation	270	266	271	276	282
British Columbia Liquor Distribution Branch.	242	230	233	210	
Post-secondary institutions' subsidiaries ⁶	685	615	520	504	387
Other ⁷	89	89	99	84	30
Total self-supported debt	<u>29,492</u>	<u>28,325</u>	<u>27,350</u>	<u>25,932</u>	<u>23,281</u>
Total provincial debt	<u>89,426</u>	<u>90,666</u>	<u>87,100</u>	<u>72,161</u>	<u>65,962</u>

¹Debt is after deductions of sinking funds and unamortized discounts, and excludes unrealized foreign exchange (gains)/losses and accrued interest.

²Represents government direct debt incurred for capital financing of education and health facilities and public transit infrastructure.

³Includes the debt of the British Columbia Housing Management Commission and the Provincial Rental Housing Corporation.

⁴Includes debt of other taxpayer-supported Crown corporations and agencies and the fiscal agency loans to local governments. Also includes reconstruction loan program guarantees, student loan guarantees, loan guarantees to agricultural producers, guarantees under economic development.

⁵Debt related to Columbia Basin Trust joint ventures with Columbia Power Corporation (Brilliant Power Corporation, Brilliant Expansion Power Corporation, Arrow Lakes Power Corporation, and Waneta Expansion Power Corporation).

⁶Includes debt of Heritage Realty Properties Ltd., SFU Community Trust, UBC Property Investments Ltd, and Vancouver Island Technology Park.

⁷Includes Columbia Basin Trust's share of real estate investment joint ventures' debt and Insurance Corporation of British Columbia.

Summary of Provincial Debt

The debt-related statements are prepared using financial information that supports the government's Summary Financial Statements, which are prepared in accordance with the *Budget Transparency and Accountability Act* (BTAA), which requires generally accepted accounting principles (GAAP) for senior governments in Canada, supported by regulations of Treasury Board. However, in the debt-related statements, there are some differences in the methods of compilation and presentation compared to generally accepted accounting principles. In the debt-related statements, debt is calculated net of sinking fund assets, includes debt directly incurred by modified equity enterprises and other commercial subsidiaries of taxpayer-supported entities, includes debt incurred by others outside the government reporting entity where there is provincial guarantee as to the payment of principal and interest, and does not include adjustments made to convert debt denominated in foreign currency to the exchange rate as at the fiscal year-end. Also, total provincial revenue and interest costs include the gross revenue and interest costs of modified equity enterprises, and total provincial interest costs are net of sinking fund earnings.

Provincial government general capital

In February 2009, government tabled the *Finance Statutes (Deficit Authorization and Debt Elimination) Amendment Act, 2009*, which prohibited spending on supplementary estimates until operating debt was eliminated. Historically, government direct operating debt included debt attributed to financing ministry capital expenditures, in addition to borrowing for operating deficits and working capital needs. In accordance with the amending legislation, beginning in 2009/10, debt attributed to amounts spent on ministry capital are reported as "Provincial government general capital" and reported separately from direct operating debt for deficit financing. Amounts attributed to ministry capital spending prior to 2008/09 are disclosed as a component of direct operating debt for compliance with the amended legislation. These segregated debt disclosures are consistent with government's policy of paying down operating debt before other types of debt.

**Key Indicators of Provincial Debt¹
for the Fiscal Years Ended March 31**

	2023		2022	2021	2020	2019
	Budget Estimate	Actual	Actual	Actual	Actual	Actual
Debt to Revenue (percent)						
Total provincial	124.5	90.6	104.3	115.1	95.9	89.5
Taxpayer-supported	110.9	74.3	90.8	101.2	80.6	75.0
Debt per Capita (\$)²						
Total provincial	19,834	16,813	17,386	16,919	14,230	13,214
Taxpayer-supported	13,823	11,268	11,954	11,606	9,116	8,550
Debt to GDP (percent)³						
Total provincial	28.7	23.0	26.1	29.5	23.6	22.3
Taxpayer-supported	20.0	15.4	17.9	20.2	15.1	14.5
Interest Bite (cents per dollar of revenue)⁴						
Total provincial	3.5	3.2	3.3	3.7	3.8	3.8
Taxpayer-supported	3.0	2.5	2.8	3.1	3.1	3.2
Interest Costs (\$ millions)						
Total provincial	2,967	3,114	2,848	2,817	2,872	2,786
Taxpayer-supported	2,012	2,030	1,896	1,832	1,807	1,793
Interest Rate (percent)⁵						
Taxpayer-supported	3.0	3.3	3.1	3.5	4.1	4.2
Revenue Factor for Key Indicators (\$ millions)						
Total provincial ⁶	84,672	98,655	86,903	75,691	75,283	73,734
Taxpayer-supported ⁷	66,226	80,647	68,658	59,033	57,386	56,881

PROVINCE OF BRITISH COLUMBIA
PUBLIC ACCOUNTS 2022/23

Key Indicators of Provincial Debt¹
for the Fiscal Years Ended March 31—Continued

	2023		2022	2021	2020	2019
	Budget Estimate	Actual	Actual	Actual	Actual	Actual
Total Debt (\$ millions)						
Total provincial	105,431	89,426	90,666	87,100	72,161	65,962
Taxpayer-supported ⁸	73,475	59,934	62,341	59,750	46,229	42,681
Provincial GDP (\$ millions)⁹	367,966	389,129	347,653	295,282	306,272	295,316
Population (thousands at July 1)¹⁰	5,316	5,319	5,215	5,148	5,071	4,992

¹Figures for prior years have been restated to conform with the presentation used for 2022/23 and to include the effects of changes in underlying data.

²The ratio of debt to population (e.g., debt at March 31, 2023 divided by population at July 1, 2022).

³The ratio of debt outstanding at fiscal year end to provincial nominal gross domestic product (GDP) for the calendar year ending in the fiscal year (e.g., debt at March 31, 2023 divided by 2022 GDP)

⁴The ratio of interest costs (less sinking fund interest) to revenue. Figures include capitalized interest expense in order to provide a more comparable measure to outstanding debt.

⁵Weighted average of all outstanding debt issues.

⁶Includes revenue less earnings related to enterprises (sinking fund earnings, loan interest and net earnings), plus revenue of all enterprises.

⁷Excludes revenue of government enterprises, but includes dividends from enterprises paid to the Consolidated Revenue Fund.

⁸Excludes debt of commercial Crown corporations and agencies, and funds held under the province's warehouse borrowing program.

⁹Nominal GDP for the calendar year ending in the fiscal year (e.g. GDP for 2022 is used for the fiscal year ended March 31, 2023). As nominal GDP for the calendar year ending 2022 is not available, the 2022 GDP projected in the February 2023 Budget and Fiscal Plan 2023/24 – 2025/26 has been used for the fiscal year ended March 31, 2023 for demonstration purposes. Preliminary GDP figures are presented as published for the year noted.

¹⁰Population at July 1st within the fiscal year (e.g. population at July 1, 2022 is used for the fiscal year ended March 31, 2023). Preliminary population figures are presented as published for the year noted per the February 2023 Budget and Fiscal Plan 2023/24 – 2025/26.

Summary of Performance Measures
for the Fiscal Year Ended March 31, 2023

	2023	2023	2022
	Target ²	Actual	Actual
Taxpayer-supported debt to GDP ratio ¹	20.0%	15.4%	17.9%
Taxpayer-supported debt service costs as a percentage of revenue	3.0%	2.5%	2.8%

¹These performance measures, among others, are key indicators on which credit rating agencies rely to determine the province's credit rating.

²The target amounts are from page 182 of the Budget and Fiscal Plan 2022/23–2024/25.

**Definitions
(Unaudited)**

Consolidated Revenue Fund—includes the taxpayer-supported activities of the General Fund and special funds of the government through which the government delivers central government programs. It does not include the activities of government operated through Crown corporations and agencies or the school districts, universities, colleges, institutes and health organizations (SUCH) sector.

Consolidation—the methods used to combine the results of Crown corporations and agencies and the SUCH sector entities with the Consolidated Revenue Fund. The two methods used are:

(i) *Full or Proportional Consolidation*—the accounts of the Crown corporation, agency or SUCH sector entity are adjusted to a basis consistent with the accounting policies of the government. The operating result and financial position of the Crown and SUCH entities are combined with those of the Consolidated Revenue Fund on a line-by-line basis. Inter-entity accounts and transactions are eliminated upon consolidation. Proportional consolidation differs from full consolidation in that only the government's portion of operating and financial results of a joint venture is combined with those of the Consolidated Revenue Fund on a line-by-line basis.

(ii) *Modified Equity Consolidation*—the original investment of the government in the Crown corporation, agency or SUCH sector entity is initially recorded at cost and adjusted annually to include the net earnings/losses and other net equity changes of the entity. There is no adjustment to conform to government accounting policies. Since the government ensures the ongoing activities of self-supported Crown corporations and agencies, full account is taken of losses in these entities, even when cumulative losses exceed the original investment. Accounts and transactions between self-supported entities are not eliminated; however, profit elements included in such transactions, including certain increases in contributed surplus, are eliminated.

Debt has a variety of meanings:

- (i) *Gross debt*—the par value of the debt, unamortized discount and premiums, and unrealized foreign exchange gains or losses.
- (ii) *Net debt*—gross debt less sinking fund investments.
- (iii) *Provincial debt*—net debt plus guaranteed debt and debt directly incurred by modified equity entities.

Deficit—the meaning is dependent upon the statement to which it applies:

- (i) Consolidated Statement of Financial Position: *Accumulated Deficit*—the amount by which the total liabilities of the government exceeds its total assets.
- (ii) Consolidated Statement of Operations: *Annual Deficit*—the amount by which the total annual expenses for the operating year exceed total annual revenues (see “Surplus” definition).

Entitlement—a government transfer that must be made if the recipient meets specified eligibility criteria. Entitlements are non-discretionary in the sense that both eligibility criteria and the amount of the payment are prescribed in a statute or regulation.

Financial assets—assets on hand at the end of the accounting period, including cash and assets that are readily convertible into cash and are not intended for consumption in the normal course of activities. These assets could be liquidated to discharge existing liabilities or finance future operations. Financial assets could include sinking fund investments held to pay debt at maturity.

Government business enterprise—a government organization that has all the following characteristics:

- (i) is a separate legal entity with the power to contract in its own name and that can sue or be sued;
 - (ii) has been delegated the financial and operational authority to carry on a business;
 - (iii) sells goods and/or services to individuals and organizations outside the government reporting entity as its principal activity; and
 - (iv) can, in the normal course of its operation, maintain its operations and meet its liabilities from revenue received from sources outside the government reporting entity.
-

**Definitions—Continued
(Unaudited)**

Government partnership—a contractual arrangement between the government and a party or parties outside the government reporting entity that has all the following characteristics:

- (i) the partners cooperate toward achieving significant, clearly defined common goals;
- (ii) the partners make a financial investment in the government partnership;
- (iii) the partners share control of decisions related to the financial and operating policies of the government partnership on an ongoing basis; and
- (iv) the partners share, on an equitable basis, significant risks and benefits associated with the operation.

Government transfers—transfer of money from government to an individual, organization or another government from which the government making the transfer does not:

- (i) receive any goods or services directly in return;
- (ii) expect to be repaid in the future; nor
- (iii) expect a financial return.

Grants—a government transfer made at the sole discretion of the government. The government has the discretion to decide whether or not to make the grant, any conditions to be complied with, the amount of the grant and the recipient of the grant.

Net liabilities—the amount by which the total liabilities of the government exceed its total financial assets. The separate calculation of this number on the Consolidated Statement of Financial Position is unique to financial statements for Canadian senior governments. This calculation excludes non-financial assets such as buildings and prepaid expenses.

Other comprehensive income (OCI)—is made up of certain unrealized gains and losses of self-supported Crown corporations that are not reported in their statement of operations, but are reported in their statement of financial position. These unrealized gains and losses will be recognized in the statement of operations when they become realized gains and losses.

Provincial government direct debt—combines the government direct operating debt and the debt incurred to finance education, health facilities and public transit. This combined portfolio represents the debt for which the government has direct responsibility for the associated debt service costs.

Self-supported Crown corporations and agencies—all Crown corporations and agencies that are accountable for the administration of their financial affairs and resources either to a minister of the government or directly to the legislature and are owned or controlled by the government. In addition, they must also carry on a business that sells goods and/or services to persons outside the government reporting entity as their principal activity and maintain operations and meet liabilities from revenue received outside the government reporting entity in the normal course of operations. This also includes the government's interest in government business enterprises.

Sinking funds—a pool of cash and investments earmarked to provide resources for the redemption of debt.

Summary accounts—the financial position and operating result of the government reporting entity including the Consolidated Revenue Fund, Crown corporations, agencies and SUCH sector entities; the amounts represented by the Summary Financial Statements of the government.

Surplus—meaning is dependent upon the statement to which it applies:

- (i) Consolidated Statement of Financial Position: the accumulated surplus is the amount by which the total assets of the government exceeds its total liabilities.
 - (ii) Consolidated Statement of Operations: the annual surplus is the amount by which the total annual revenues for the operating year exceed total annual expenses (see "Deficit" definition).
-

Definitions—Continued
(Unaudited)

Taxpayer-supported Crown corporations and agencies and SUCH sector entities—all Crown corporations and agencies and entities outside the Consolidated Revenue Fund that meet the criteria of control (by the province) as established by generally accepted accounting principles. In addition, they must not meet the criteria for being self-supported. This also includes the government's interest in government partnerships that are not government business enterprises.

Transfers under agreements (including shared cost)—a government transfer that is a reimbursement of eligible expenditures pursuant to an agreement between the government and the recipient. The recipient usually spends the money first; however, the government has some input into how the money is spent.

**Acronyms
(Unaudited)**

APAC	Accounting Policy Advisory Committee
BC Hydro	British Columbia Hydro and Power Authority
BCHMC	British Columbia Housing Management Commission
BTAA	<i>Budget Transparency and Accountability Act</i>
CPA	Chartered Professional Accountant
CRF	Consolidated Revenue Fund
GAAP	Generally accepted accounting principles (for senior governments as recommended by the Canadian Public Sector Accounting Board)
GDP	Gross domestic product
ICBC	Insurance Corporation of British Columbia
Moody's	Moody's Investors Service
PSAS	Public Sector Accounting Standards
SCBCTA	South Coast British Columbia Transportation Authority
SFU	Simon Fraser University
SUCH	School districts, universities, colleges, institutes and health organizations
UBC	The University of British Columbia

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2023 BRITISH COLUMBIA FINANCIAL AND ECONOMIC REVIEW

83RD EDITION
APRIL 2022 – MARCH 2023



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2023
BRITISH COLUMBIA
FINANCIAL AND ECONOMIC
REVIEW

83RD EDITION
(SEPTEMBER 2023)



Ministry of
Finance

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PART 1

ECONOMIC REVIEW¹

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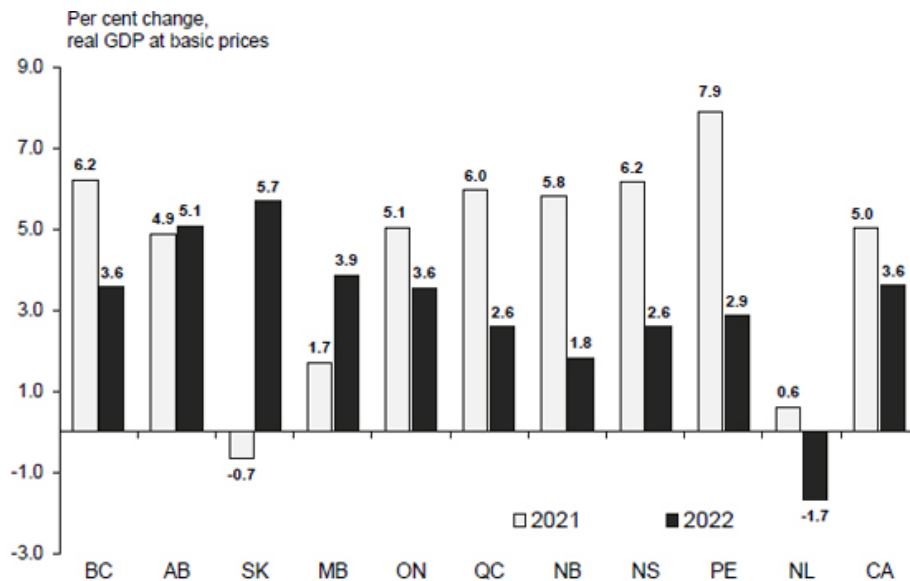
2022 Overview

After rebounding rapidly in 2021, British Columbia's economy saw slower but still strong growth in 2022. The economy faced headwinds in 2022, including the impact of inflationary pressures, increases in interest rates and the resulting decline in the housing market.

Statistics Canada published real dollar GDP by industry at basic prices in the preliminary release of its 2022 Provincial Economic Accounts in May 2023. The following analysis refers to these real GDP figures, as opposed to the commonly reported income and expenditure market prices data released late in the year.²

In 2022, B.C.'s real GDP growth of 3.6 per cent was the fourth highest among provinces (tied with Ontario) and grew at the same pace as the national average, following growth of 6.2 per cent in 2021.

Chart 1.1 Provincial Economic Growth



Sources: Statistics Canada (Tables 36-10-0402-01 and 36-10-0434-03 – May 2023 Preliminary Industry Accounts)

B.C.'s labour market continued to strengthen in 2022 with employment growth of 3.2 per cent, while aggregate wages and salaries increased by 10.7 per cent. Consumer spending on goods grew slowly in 2022 with nominal retail sales up only 3.1 per cent, despite rising prices. Available data suggests that consumer spending on services continued to recover in 2022. Meanwhile, consumer prices grew at the fastest annual rate since 1982, averaging 6.9 per cent, largely due to supply-chain disruptions, resilient demand for goods and services, and higher energy and food prices brought on by Russia's invasion of Ukraine. B.C. recorded the second-highest number of housing starts on record in 2022, down 1.9 per cent from the all-time record in 2021. At the same time, home sales fell sharply as markets adjusted to increasing mortgage rates, while the average home sale price increased by 7.4 per cent.

² Provincial and national real GDP by industry estimates are based on Statistics Canada's preliminary industry accounts, released in May 2023. Further information on British Columbia's economic performance is expected to be available in November 2023, when Statistics Canada releases revised GDP by industry data for 2022 and previous years, together with the full income and expenditure accounts for 2022.

On the external front, B.C.’s international merchandise exports showed strength earlier in the year but started to moderate through the second half of 2022. B.C.’s exports grew by 20.4 per cent primarily attributable to increases in the export of energy products (coal and natural gas).

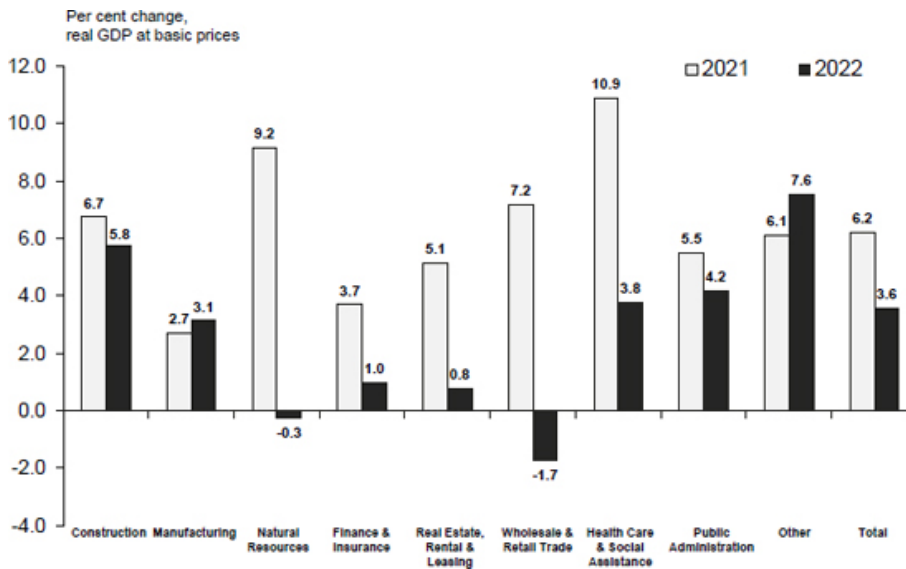
British Columbia Economy

B.C.’s real GDP grew by 3.6 per cent in 2022, following growth of 6.2 per cent in 2021. Both service-producing industries and goods-producing industries contributed to B.C.’s economic growth in 2022, with service-producing industries as the primary contributor.

Service-producing industries saw 3.7 per cent growth in 2022, with most sectors experiencing gains, except for wholesale and retail trade (-1.7 per cent) and management of companies and enterprises (-21.3 per cent). Output in the transportation and warehousing (+10.2 per cent), accommodation and food services (+19.6 per cent), professional, scientific and technical services (+5.6 per cent), and healthcare and social assistance (+3.8 per cent) sectors were the main drivers of the increase. Service-producing sectors experienced a lift from the removal of any remaining COVID-19 related restrictions in 2022, but several are still below 2019 GDP levels, such as transportation and warehousing; accommodation and food services; and arts, entertainment and recreation.

B.C.’s goods-producing industries grew by 3.3 per cent in 2022, following growth of 5.7 per cent in the previous year. Output in the construction industry provided the largest contribution of all sectors to growth in 2022 increasing by 5.8 per cent compared to 2021. Increases were also observed in the manufacturing (+3.1 per cent), utilities (+4.4 per cent) and the mining, quarrying and oil and gas extraction sectors (+1.7 per cent). Meanwhile, the agriculture, forestry, fishing and hunting sector declined by 4.2 per cent compared to 2021 and remained below pre-pandemic levels.

Chart 1.2 British Columbia Real GDP Growth by Industry



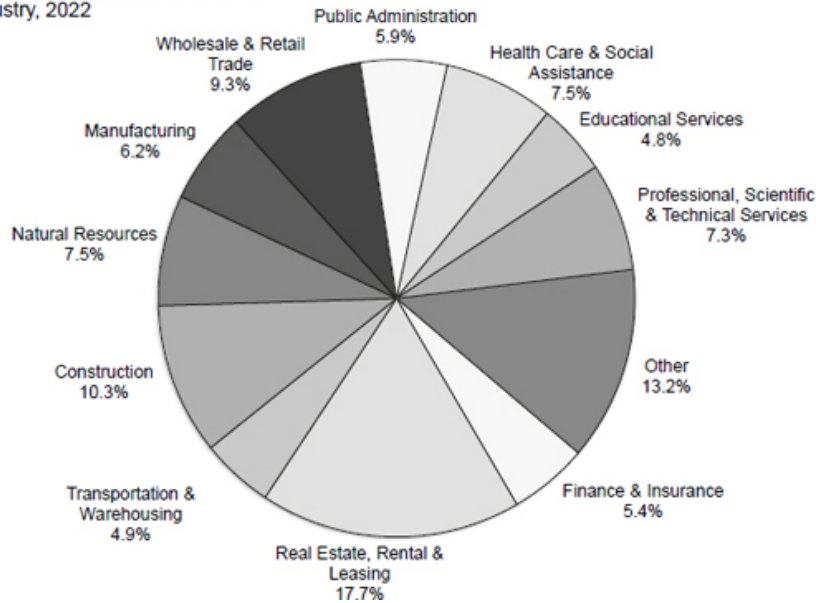
Source: Statistics Canada (Table 36-10-0402-01 – May 2023 Preliminary Industry Accounts)

Note: Other includes industries such as transportation and warehousing, educational services, and professional, scientific and technical services

In 2022, service-producing industries represented 73.9 per cent of B.C.'s GDP and goods-producing industries accounted for 26.1 per cent. The real estate and rental and leasing sector formed the largest share of the service-producing industries, followed by wholesale and retail trade. At the same time, the construction sector continues to make up the largest share of the goods-producing industries, followed by the natural resources sector (agriculture, forestry, fishing and hunting, and mining, quarrying and oil and gas extraction), and the manufacturing sector.

Chart 1.3 Composition of British Columbia GDP by Industry

Shares of B.C. GDP at basic prices by major industry, 2022



Source: Statistics Canada (Table 36-10-0400-01 – May 2023 Preliminary Industry Accounts) (numbers may not add to 100 per cent due to rounding)

External Trade and Commodity Prices

Exports by destination:

Strength in the first half of 2022 boosted the value of B.C.'s nominal international merchandise exports to grow by 20.4 per cent, despite sharp declines in the second half of the year. Merchandise exports to the U.S. (B.C.'s largest international trading partner) saw notable gains along with increases in most other major trading partners in 2022, while exports to China and Taiwan declined.

B.C.'s merchandise exports to the U.S. increased by 25.1 per cent in 2022 compared to 2021, following an increase of 37.6 per cent in 2021. Gains in B.C.'s exports to the U.S. were mainly driven by a 70.0 per cent increase in energy products (primarily natural gas) as well as a 23.8 per cent increase in machinery and equipment and a 26.7 per cent increase in agriculture and food other than fish. Meanwhile, exports of softwood lumber to the U.S. decreased by 16.3 per cent in 2022, following a 68.8 per cent increase in 2021.

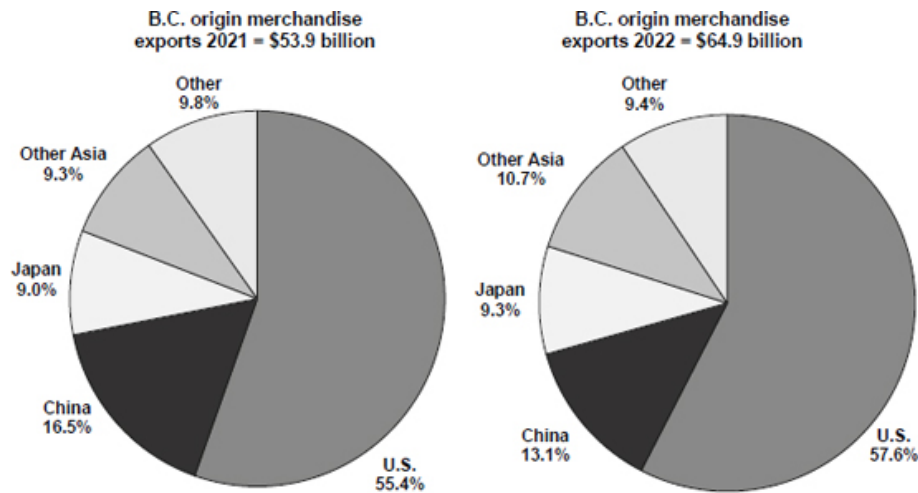
B.C.'s merchandise exports to Japan rose by 24.2 per cent in 2022, after increasing by 35.4 per cent in 2021. Increases in exports to Japan were concentrated in energy products (+67.6 per cent), resulting from higher exports of coal (+175.7 per cent), while exports of wood products declined by 7.9 per cent.

B.C.'s exports to China decreased by 4.6 per cent in 2022, primarily driven by declines in exports of energy products (-9.9 per cent), wood products (-29.1 per cent), and pulp and paper products (-6.3 per cent). Meanwhile, B.C.'s merchandise exports to South Korea rose by 40.6 per cent in 2022, largely reflecting higher exports of energy products (+83.6 per cent) where coal exports increased by 102.1 per cent.

Appendix Tables A1.7 and A1.8 provide further detail on exports by major market and commodity groups.

The share of B.C.'s international merchandise exports destined to the U.S. averaged 57.6 per cent in 2022, up from 55.4 per cent in 2021. Exports to China accounted for 13.1 per cent, lower than the 16.5 per cent in 2021. Exports to Japan represented 9.3 per cent, relatively unchanged from 2021, while exports to South Korea represented 6.3 per cent, up from 5.4 per cent in 2021.

Chart 1.4 International Export Shares by Market



Source: BC Stats – accessed May 2023

Note: Other Asia includes Hong Kong, Taiwan, South Korea and India
(numbers may not add to 100 per cent due to rounding)

Exports by commodity and prices:

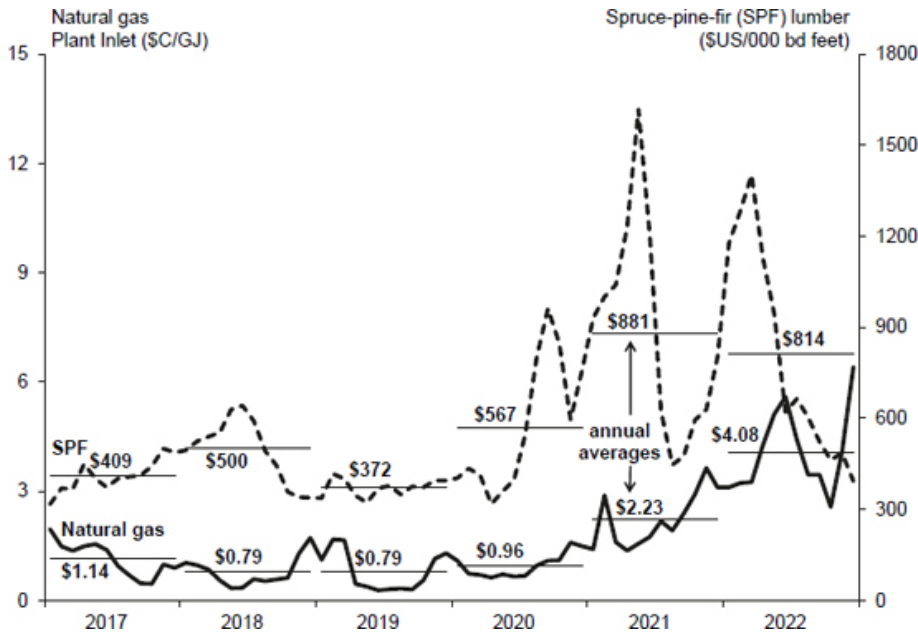
Most of the annual gains in total exports were attributable to increases in exports of energy products (+59.1 per cent), primarily coal and natural gas which rose by 66.4 per cent and 72.9 per cent, respectively. Exports of machinery and equipment (+24.0 per cent) and agriculture and food other than fish (+23.8 per cent) also experienced strong growth. Meanwhile, exports of wood products fell (-10.5 per cent) compared to 2021 reflecting weaker demand and lower lumber prices in the second half of 2022.

After a strong start to 2022, forestry product prices came down from record highs in 2021, with lumber prices falling 7.6 per cent to average \$814 US/000 board feet. Prices were boosted by supply pressures, transportation costs and strong demand in the first half of the year but the effects of higher interest rates on the housing market and construction activity in the U.S. tempered prices in the second half of 2022.

Industrial metal and mineral prices fluctuated throughout 2022 amid concerns over Europe’s energy supply, China’s COVID-19 lockdowns, major central banks implementing monetary tightening, and the prospect of slower global economic growth. In 2022, the prices for molybdenum and zinc experienced strong growth, while silver, copper and lead declined from their elevated prices in 2021 and the price for gold remained flat.

In 2022, countries sought out alternative sources of energy brought on by the war in Ukraine, sending energy prices upward. The West Texas Intermediate (WTI) price averaged \$94.79 US/barrel for the year, an increase of 39.4 per cent from 2021. Both metallurgical coal and natural gas prices experienced significant increases in 2022, up by 63.2 per cent and 83.1 per cent respectively.

Chart 1.5 Lumber and Natural Gas Prices



Sources: Ministry of Forests; Ministry of Energy, Mines and Low Carbon Innovation.

Manufacturing shipments:

Like merchandise exports, B.C.’s manufacturing shipments showed strength early in 2022 but began to moderate from March to the end of the year. The nominal value of B.C.’s manufacturing shipments rose by 9.3 per cent in 2022 compared to 2021. Growth was broad-based, led by higher food manufacturing (+13.3 per cent), machinery manufacturing (+16.0 per cent), and fabricated metal products (+16.6 per cent), while there was a notable decline in wood products (-8.3 per cent).

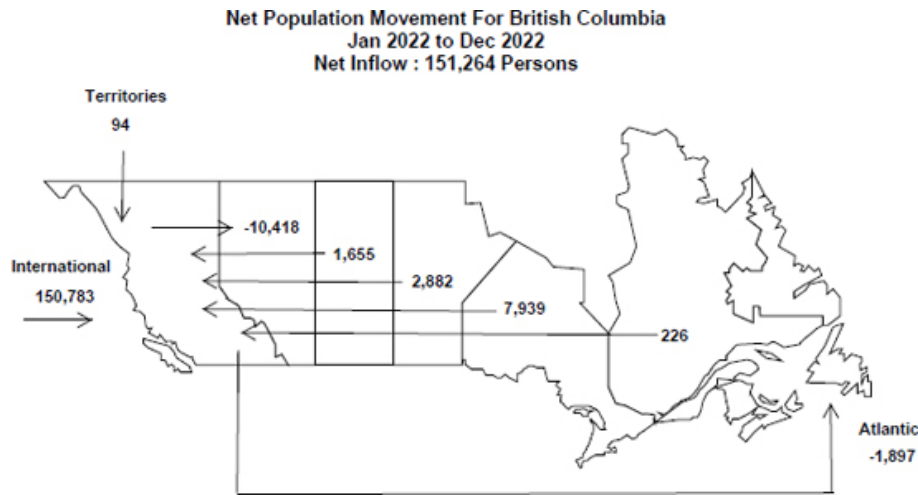
Exports of services:

B.C. tourism data and national export data suggest that B.C.'s nominal international exports of services in 2022 continued to recover from a sharp decline in 2020. National-level data shows that Canadian exports of services surpassed pre-pandemic levels in March 2022.

Population

B.C.'s population on July 1, 2022 was 5.319 million people, an increase of 2.2 per cent from the same date in 2021. In 2022, interprovincial migration contributed a net total of just 481 persons while B.C. had a significant net total gain of 150,783 persons through international migration, largely driven by increases in non-permanent residents. Overall, total net migration was 151,264 persons in 2022, surpassing 2021's record breaking year as the federal government streamlined systems to process applications for newcomers. Meanwhile, a natural decline of 3,724 persons (births minus deaths) decreased the province's population count in 2022.

Map 1.1 Net Interprovincial and International Migration in B.C., 2022



Source: BC Stats

Labour Market

B.C.'s labour market continued to strengthen throughout 2022. Employment grew by 84,000 jobs (+3.2 per cent) in 2022, following a fast recovery in 2021. Employment gains consisted of 96,600 full-time jobs while part-time declined by 12,500 jobs. The number of jobs created was concentrated in the private sector (+58,700 jobs), along with gains in the public sector (+22,200 jobs) and self-employment (+3,200 jobs).

Employment gains were mainly driven by growth in services-producing sectors (+75,000 jobs), with broad-based increases led by wholesale and retail trade (+32,200 jobs); information, culture, and recreation (+17,600 jobs); and health care and social assistance (+17,200 jobs). Meanwhile, goods-producing sectors experienced moderate growth (+9,000 jobs), driven by growth in construction (+8,900 jobs).

Despite strength throughout 2021 and 2022, the recovery from the pandemic has remained uneven across sectors. December 2022 data indicated several industries remained below pre-pandemic levels of employment including business, building, and other support services (-19,100 jobs); accommodation and food services (-15,400 jobs), trade (-12,100 jobs); finance, insurance, real estate, rental, and leasing (-11,000 jobs); and construction (-9,900 jobs).

Last year, B.C.'s labour force increased by 1.0 per cent, following a 3.3 per cent increase in the previous year. The total labour force participation rate declined in 2022 to 65.1 per cent from 65.6 per cent in 2021. The decline reflected the aging of the population as lower participation rates among those older than 55 and among males ages 15-54 were partially offset by increases in participation among females. Amid tight labour market conditions, the unemployment rate averaged near record lows at 4.6 per cent in 2022 down from 6.6 per cent in 2021.

Appendix Table A1.5 provides more details on employment by sector and subsectors.

Table 1.1 British Columbia Population and Labour Market Statistics

	Units	2018	2019	2020	2021	2022
Population (as of July 1)	(thousands)	5,010	5,095	5,155	5,202	5,319
	(% change)	1.6	1.7	1.2	0.9	2.2
Net Migration						
International	(persons)	62,879	71,367	(1,651)	67,561	150,783
Interprovincial	(persons)	12,723	14,263	19,304	27,225	481
Labour Force	(thousands)	2,733	2,813	2,761	2,852	2,881
	(% change)	1.1	2.9	(1.9)	3.3	1.0
Employment	(thousands)	2,606	2,678	2,509	2,664	2,748
	(% change)	1.8	2.7	(6.3)	6.2	3.2
Unemployment Rate	(%)	4.6	4.8	9.1	6.6	4.6

Sources: Statistics Canada (Tables 17-10-0005-01, 17-10-0040-01, 17-10-0020-01, 14-10-0023-01 – accessed June 2023)

Consumer Spending, Inflation and Wages

Consumer spending on goods grew slowly in 2022, increasing by 3.1 per cent, following 12.6 per cent growth in 2021. The modest gain in nominal retail trade coupled with high inflation suggests that the volume of retail trade declined last year, which reflects the impact of higher interest rates and declining purchasing power. Retail sales were higher in six of nine subsectors in 2022 driven by purchases at gasoline stations (+22.1 per cent), general merchandise stores (+7.7 per cent) as well as clothing and clothing accessories stores (+13.5 per cent). Meanwhile, declines were reported in motor vehicles and parts dealers (-4.9 per cent), building material and garden equipment and supplies dealers (-9.3 per cent), and health and personal care stores (-2.3 per cent).

While retail trade data offers a detailed indication of consumer spending on goods, there is a lack of timely comprehensive data for consumer spending on services at the provincial level. National data shows that consumer spending on services in 2022 grew by 8.6 per cent on a real basis and by 12.9 per cent on a nominal basis. In B.C., nominal sales at food services and drinking places, a component of the service sector, continued to improve in 2022 increasing 22.2 per cent compared to 2021, surpassing pre-pandemic levels, in part due to higher prices.

The continuation of supply-chain disruptions, resilient demand for goods and services, and higher energy prices put further upward pressure on consumer prices in 2022. B.C.'s Consumer Price Index (CPI) inflation rate was 6.9 per cent in 2022, up from 2.8 per cent in 2021. Following Russia's invasion of Ukraine, B.C. inflation peaked in May at 8.1 per cent (year-over-year) and had declined to 6.6 per cent (year-over-year) by December. Annual provincial price gains were broad-based led by higher prices for shelter (+7.6 per cent), transportation (+10.2 per cent), and food (+8.0 per cent). Higher shelter prices primarily reflected higher owned and rented accommodation costs while transportation costs were driven up by both higher gasoline prices and vehicle purchase costs. Grocery prices increased at their fastest pace since 1981 as extreme weather, higher input costs, and supply-chain disruptions contributed to price gains.

Employee compensation (aggregate wages, salaries, and employers' social contributions) in B.C. increased by 10.7 per cent in 2022 following 12.5 per cent growth in 2021. These increases reflect continued strength in the labour market where both jobs and wages experienced gains. The average weekly wage rate increased by 4.8 per cent in 2022 compared to 2021 but grew at a slower rate than the consumer price index. Wages have risen as employers faced labour shortages along with elevated job vacancies.

Table 1.2 British Columbia Price and Earnings Indicators

	Units	2018	2019	2020	2021	2022
Consumer Price Index	(2002=100)	128.4	131.4	132.4	136.1	145.5
	(% change)	2.7	2.3	0.8	2.8	6.9
Average Weekly Wage Rate	(\$)	1,000.9	1,021.2	1,093.8	1,136.5	1,191.0
	(% change)	3.1	2.0	7.1	3.9	4.8
Compensation of Employees ^{1,2}	(\$ millions)	144,465	152,568	152,704	171,837	190,233
	(% change)	6.3	5.6	0.1	12.5	10.7
Primary Household Income ¹	(\$ millions)	204,273	218,490	218,456	241,341	n/a
	(% change)	3.0	7.0	(0.0)	10.5	n/a
Net Operating Surplus (Corporations) ¹	(\$ millions)	34,157	29,607	35,315	44,601	n/a
	(% change)	1.5	(13.3)	19.3	26.3	n/a

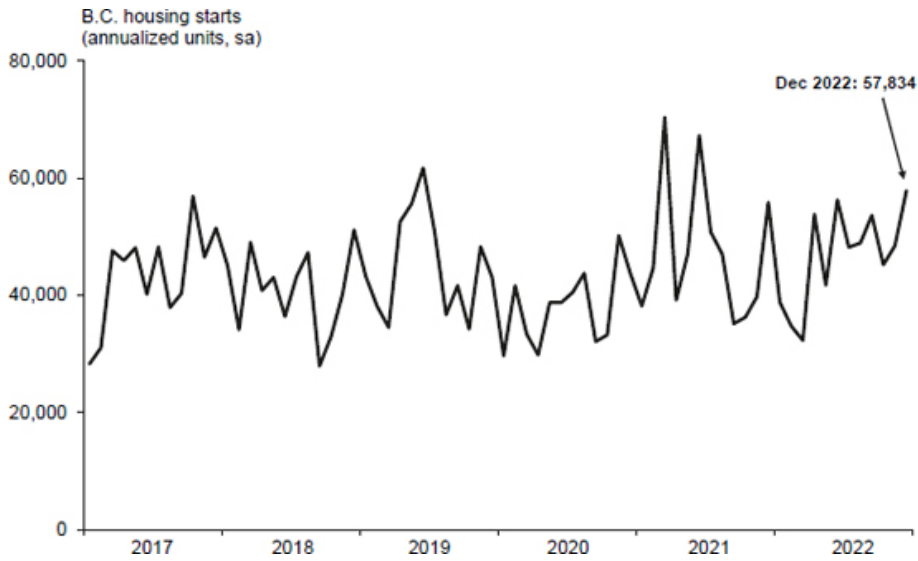
¹ As of November 2021 Provincial Economic Accounts

² Component of income-based GDP, including wages, salaries and employers' social contributions earned in B.C. by residents and non-residents of the province. 2022 value for compensation of employees is from Statistics Canada Table 36-10-0205-01. Sources: Statistics Canada (Tables 18-10-0005-01, 14-10-0064-01, 36-10-0221-01, 36-10-0205-01, 36-10-0224-01 – accessed June 2023)

Housing

Residential construction activity in B.C. edged down in 2022 from record highs in 2021. B.C. housing starts totalled 46,721 units in 2022, down 1.9 per cent compared to the previous year. Despite the decline, housing starts in 2022 were the second highest on record. Meanwhile, the value of residential building permits (a leading indicator of potential new housing activity) rose by 24.8 per cent, following an increase of 23.3 per cent in 2021.

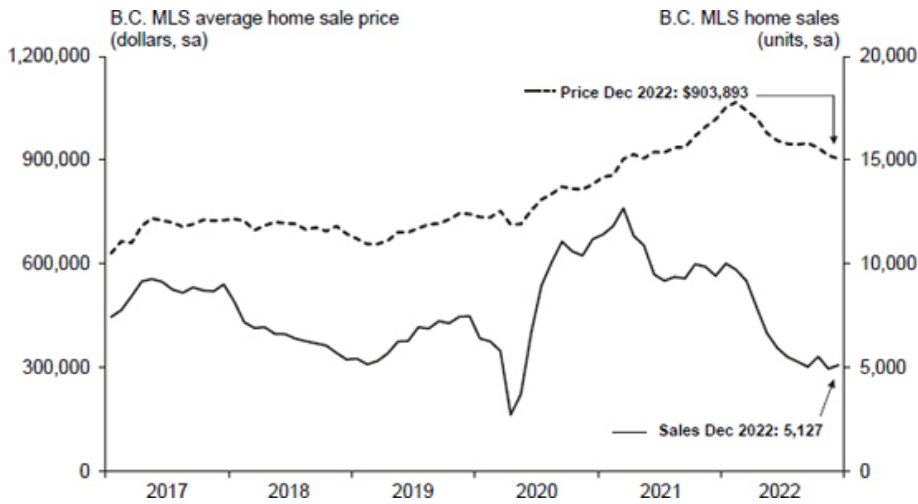
Chart 1.6 Housing Starts



Sources: Canada Mortgage and Housing Corporation; Haver Analytics

Home sales fell sharply in 2022 as markets adjusted to higher mortgage rates not seen since 2008. B.C. MLS home sales decreased by 35.2 per cent in 2022 compared to 2021. Meanwhile the MLS average home sale price rose by 7.4 per cent in 2022 because of strength early in the year, despite monthly declines in 9 of the last 10 months of the year.

Chart 1.7 Home Sales and Price

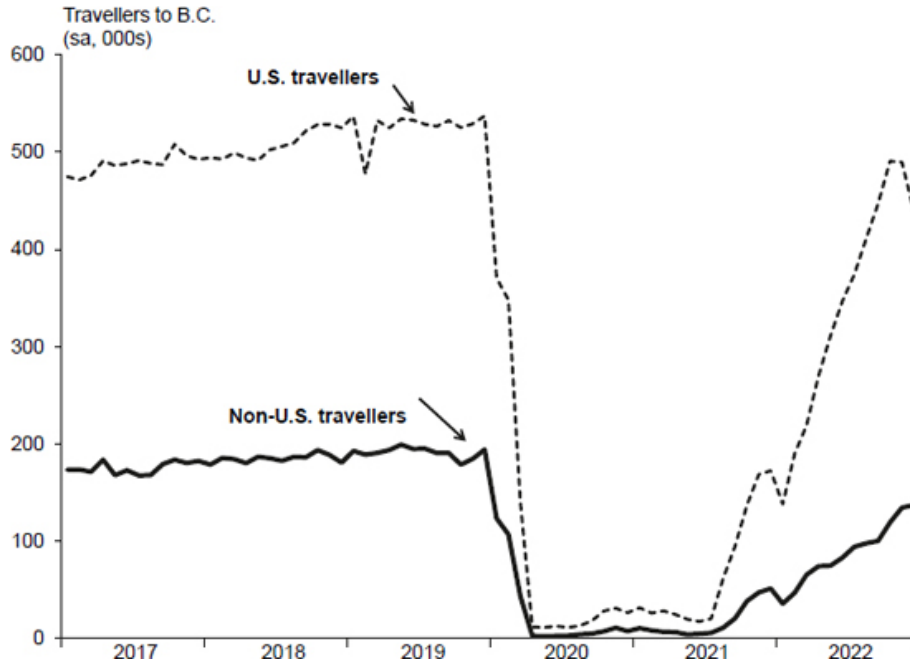


Sources: Canadian Real Estate Association; Haver Analytics

Tourism

B.C.'s tourism sector continued to recover in 2022 from the impacts of the pandemic. The number of international non-resident travellers to B.C. in 2022 increased steadily throughout the year but remained below historical levels observed prior to the onset of the pandemic. In 2022, the number of international travellers increased by 414.6 per cent compared to the previous year. The number of U.S. travellers to B.C. increased by 417.4 per cent and the number of non-U.S. travellers increased by 404.0 per cent in 2022. Despite the significant increase in 2022, the 576,344 travellers entering B.C. in December 2022 remains well below the 700,000 travellers typically seen in an average month prior to the pandemic.

Chart 1.8 Visitor Entries to British Columbia



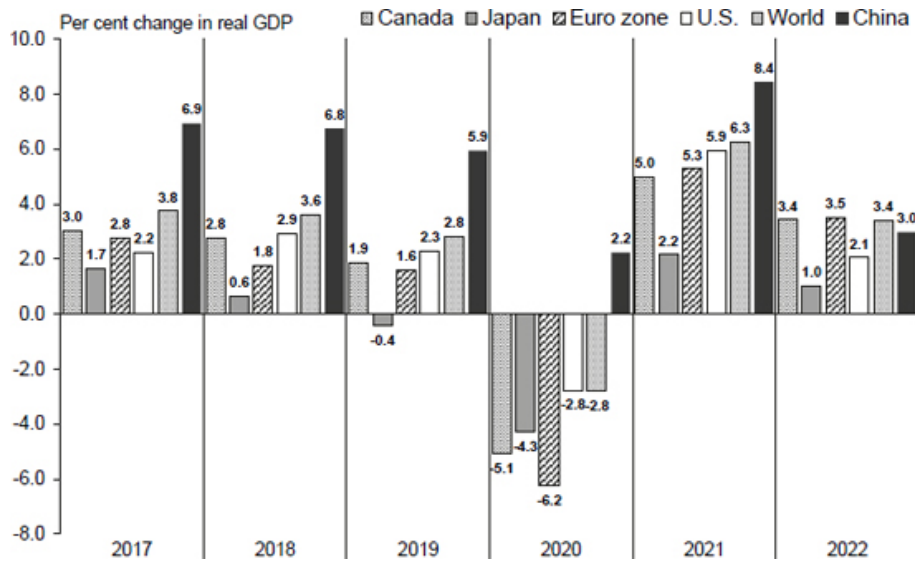
Source: Statistics Canada (Table 24-10-0054-01 – accessed June 2023)

Global Economy

Following rapid recovery from pandemic-related downturns, global economic growth decelerated in 2022. The International Monetary Fund estimates that global real GDP advanced by 3.4 per cent in 2022 compared to the previous year, when global real GDP increased by 6.3 per cent. Persistent supply-chain bottlenecks and tight labour markets paired with Russia's invasion of Ukraine pushed inflation higher in 2022. Many central banks responded to high inflation with aggressive monetary tightening to temper demand and tame inflationary pressures.

The U.S. economy grew by 2.1 per cent in 2022, down from 5.9 per cent growth in 2021. Canadian economic output increased by 3.4 per cent in 2022, down from 5.0 per cent in 2021. Overseas, China posted economic growth of 3.0 per cent in 2022, a significant slowdown from the 8.4 per cent growth in 2021, while Japan's economy grew by 1.0 per cent and the euro zone grew by 3.5 per cent in 2022.

Chart 1.9 Global Economic Growth



Sources: International Monetary Fund (April 2023); Haver Analytics

United States

U.S. real GDP contracted in the first two quarters of 2022 before resilient consumer spending and a strong labour market pushed the final two quarters into positive territory. Annually, U.S. real GDP increased by 2.1 per cent in 2022, following the highest growth rate in nearly 40 years in 2021. Nearly all major components of GDP grew in 2022 led by higher consumption of services, private investment, and exports.

The U.S. labour market continued to strengthen in 2022, surpassing its pre-pandemic level of employment. Overall, U.S. employment was 4.3 per cent higher than in 2021 and the unemployment rate averaged 3.7 per cent, the same rate observed in pre-pandemic 2019 and down from 5.4 per cent in 2021. Meanwhile, the labour force participation rate increased by 0.6 percentage points in 2022 compared to the previous year, with 62.2 per cent of Americans eligible to work participating in the labour market.

New housing construction activity slid in 2022 because of labour shortages and slowing demand from increasing interest rates. The level of housing starts was 1.55 million units in 2022, down 3.0 per cent compared to 2021. U.S. home sales fell in 2022, with sales of new single-family homes decreasing by 16.9 per cent while sales of existing homes fell 17.9 per cent. However, home prices continued to rise with the median sales price for new single-family homes increasing by 15.3 per cent compared to the previous year, while the median sales price for existing homes rose by 10.4 per cent.

The U.S. current account deficit (the combined balances of trade in goods and services income, and net unilateral current transfers) increased from \$US 831.4 billion in 2021 to \$US 971.6 billion in 2022. As a share of nominal U.S. GDP, the current account deficit averaged -3.8 per cent in 2022.

Canada

The Canadian economy grew by 3.4 per cent in 2022, following a strong rebound of 5.0 per cent growth in 2021. Canadian GDP growth last year was driven by gains in household consumption primarily driven by services, and inventory investment, while declines in business investment (primarily residential investment) and higher imports partially offset these gains.

The Canadian labour market continued to grow throughout 2022, with employment increasing by 4.0 per cent (+750,720 jobs) compared to the previous year. However, several industries have still not yet returned to pre-pandemic levels as of December 2022, including accommodation and food services. The unemployment rate for 2022 averaged 5.3 per cent, a record annual low in data going back to 1976 and a 2.2 percentage point improvement over 2021.

Rising interest rates dampened activity in the Canadian housing market in 2022, following record sales and strong housing starts in 2021. Total MLS home sales fell by 25.2 per cent in 2022, with double-digit declines in eight of the ten provinces. Aside from the onset of the pandemic, homes sales reached their lowest level in over ten years by the end of 2022. Persistent supply constraints and strength early in the year led to an increase of 2.4 per cent in the national average home sale price to \$703,827. Despite increasing interest rates, housing starts remained resilient in 2022 falling by only 3.4 per cent annually. Meanwhile, the value of residential building permits increased by 2.2 per cent, following growth of 30.1 per cent in 2021.

Canadian nominal retail sales increased by 8.3 per cent in 2022, boosted by strong consumer price growth. Strong sales at gasoline stations (+29.9 per cent) and general merchandise stores (+12.1 per cent) were the primary contributors to growth for the year. Adjusted for price movements, retail sales volumes increased by 1.8 per cent in 2022. Consumer price inflation continued to accelerate through the first half of 2022 due to persistent supply-chain disruptions, robust demand and the Russian invasion of Ukraine pushing energy prices higher. On average, the consumer price index increased 6.8 per cent in 2022 compared to 2021.

Canada's current account deficit increased to \$9.1 billion in 2022 from \$6.7 billion in 2021. As a share of nominal Canadian GDP, the current account deficit remained unchanged averaging -0.3 per cent in 2022.

Similar to retail sales, higher commodity prices played a major role in Canadian merchandise exports in 2022, with nominal exports of goods and services increasing by 21.2 per cent. The increase in exports of goods was driven primarily by higher exports of energy products (+57.0 per cent), while increases in exports of travel services (+74.8 per cent) aided in the overall growth in exports of services (+15.6 per cent). At the same time, Canadian imports of goods and services increased by 20.5 per cent following a 10.1 per cent increase in 2021.

Asia

China's economy expanded slowly in 2022, constrained by strict COVID-19 pandemic containment measures, leading to relatively weak industrial production and declining retail sales compared to 2021. China's economy increased by 3.0 per cent in 2022, the slowest rate in nearly 50 years, following 8.4 per cent growth in 2021. China's property sector was a significant drag on growth as investment in this sector experienced its first decline since records began in 1999 along with the largest decline in property sales since 1992.

Japan's real GDP increased by 1.0 per cent in 2022 following 2.2 per cent growth in the previous year. Growth in private demand and household consumption with the easing of COVID-19 restrictions as well as an expansion of corporate capital investment supported Japan's expansion. However, Russia's invasion of Ukraine pushed fuel costs up and a depreciating yen led to rising import costs. Net exports weighed on GDP, as increases in the exports of goods and services did not match the pace of growth in imports.

Europe

Improving public health conditions and stronger tourism supported European economic activity in 2022 despite geopolitical tensions, higher prices, and rising interest rates. Real GDP in the euro zone grew by 3.5 per cent in 2022, following growth of 5.3 per cent in 2021. Increases were broad-based across all economic sectors with gains in household consumption and investment driving overall growth. In 2022, Germany's and France's economies advanced by 1.8 per cent and 2.5 per cent, respectively, less than the euro zone average of 3.5 per cent. Meanwhile, Spain (+5.4 per cent) and Italy (+3.7 per cent) saw growth above the euro zone average.

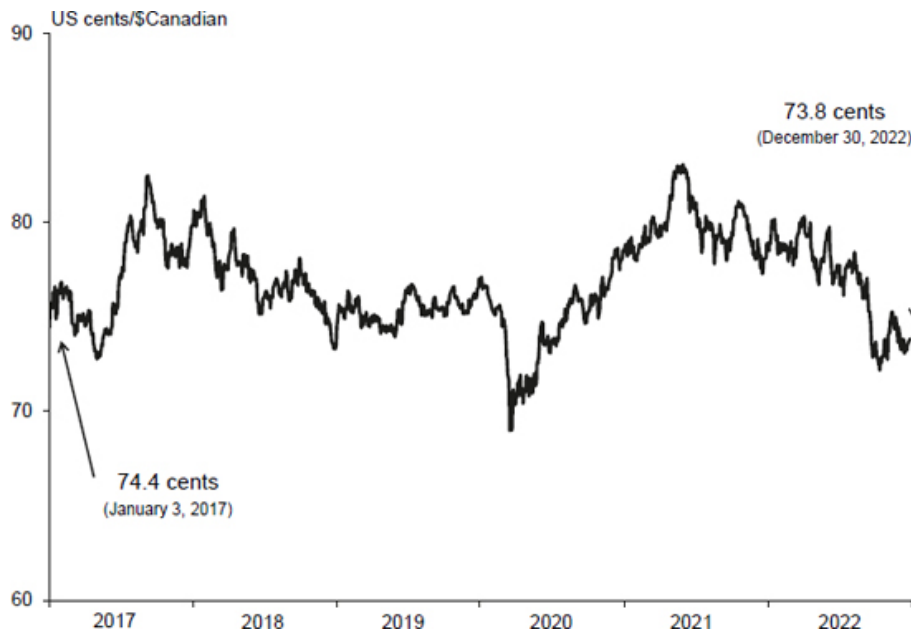
Financial Markets

After facing mounting inflationary pressures along with a tight labour market, the US Federal Reserve (Fed) increased interest rates seven times in 2022. The U.S. federal funds rate started the year at 0.00 to 0.25 per cent and ended the year at 4.25 to 4.50 per cent. In December 2022, the Federal Open Market Committee (FOMC) provided forward guidance indicating their intention to further increase the target range to achieve maximum employment and return inflation to the 2 per cent target over the long run. The FOMC also highlighted their commitment to continue reducing its holdings of Treasury securities, and agency debt and mortgage-backed securities.

Similarly, in 2022, the Bank of Canada (BoC) increased its target for the overnight interest rate seven times from the effective lower bound of 0.25 per cent in February to 4.25 per cent in December. In their December monetary policy statement, the BoC stated that they were considering whether further increases will be needed, while also indicating they will be continuing with their policy of quantitative tightening. The BoC noted excessive demand, tight labour markets and stubbornly elevated inflation as key factors to whether further increases to the policy rate were needed to bring supply and demand back into balance and inflation to their target range.

The Canadian dollar started the year at 78.7 US cents and fell through most of 2022 reaching a low of 72.2 US cents by mid-October. Despite rising interest rates and higher energy prices the Canadian dollar depreciated against the US dollar. The decoupling of the loonie from oil in 2022 meant rising oil prices did not aid in mitigating the depreciation as seen in previous cycles. The depreciation was also partly due to recessionary risks and a flight to safety by investors amid geopolitical conflicts. On an annual basis, the Canadian dollar fell to 76.8 US cents in 2022 from an average of 79.8 US cents in 2021.

Chart 1.10 Canadian Dollar



Source: Bank of Canada – accessed April 2023

Note: Reflects the Bank of Canada's new calculation methodology starting January 1, 2017.

Historical Data Volatility

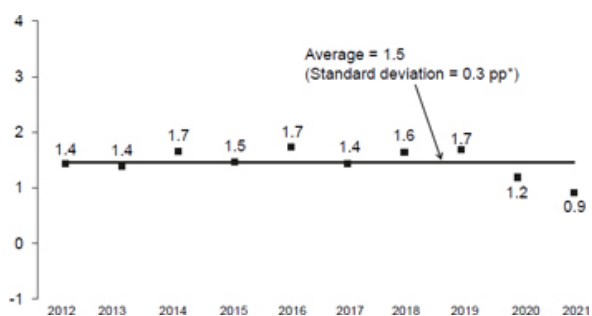
Individual economic variables have unique characteristics. An important characteristic from a budgeting and planning perspective is the historical data volatility of a variable. Typically, variables that are more volatile over history are more difficult to forecast than variables that are more stable. This topic box summarizes the volatility of historical data from 1981 to 2021. Economic variables were relatively more volatile in 2020 and 2021, reflecting the impact of the COVID-19 pandemic.

One of the most common measurements of data volatility is the standard deviation, which is frequently reported by agencies such as Statistics Canada and the Bank of Canada. Roughly speaking, the standard deviation of a variable measures how far the individual data points are from the average (mean) of all the data points in the series on an absolute basis (that is, without regard to whether each data point is above or below the average).

If a variable's data points are generally close to the average, then the standard deviation will be relatively low (meaning that the variable is relatively stable). An example of a relatively stable variable is presented in Chart 1, which displays the annual growth rate of B.C.'s population.

Chart 1 – An Example of Historical Data Stability

Annual growth rate of B.C.'s population (per cent change)



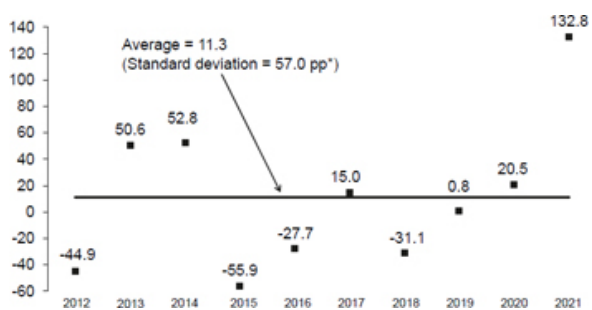
*Percentage points

Sources: Statistics Canada; Haver Analytics; Ministry of Finance calculations

Conversely, if a variable's data points are generally spread out from the average, then the variable will have a relatively high standard deviation (meaning that the variable is relatively volatile). The annual growth rate of the natural gas price in Chart 2 is an example of a relatively volatile variable.

Chart 2 – An Example of Historical Data Volatility

Annual growth rate of the natural gas price (per cent change)



*Percentage points

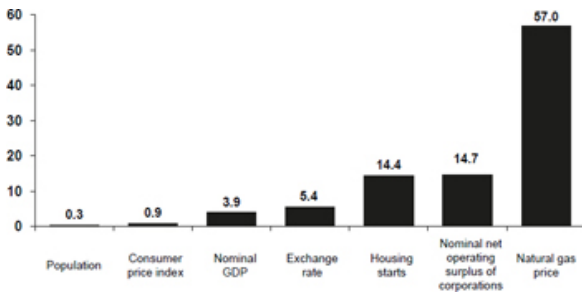
Sources: Ministry of Energy, Mines & Low Carbon Innovation; Ministry of Finance calculations

The standard deviations and averages of selected key economic variables' growth rates over different time periods are presented in Table 1. For instance, B.C. real GDP growth had a standard deviation of 2.3 percentage points and an average of 2.6 per cent from 2012 to 2021. This means that, growth rates between 0.3 and 4.9 per cent are within one standard deviation of the average annual real GDP growth rate of 2.6 per cent over this period.

Standard deviations can vary widely across indicators and time. Variables such as the natural gas price and housing starts were relatively volatile from 2012 to 2021, while variables such as population and the consumer price index were relatively stable (see Chart 3). Meanwhile, some variables like the price of natural gas have become more volatile over time, whereas other variables like population have become more stable (see Table 1).

Chart 3 – Recent Data Volatility

Standard deviations of selected B.C. economic variables and prices*
(percentage points)



*Based on the annual per cent change of calendar year data from 2012 to 2021

Sources: Statistics Canada; Haver Analytics; Ministry of Energy, Mines & Low Carbon Innovation; Canada Mortgage and Housing Corporation; Ministry of Finance calculations

The Ministry of Finance manages the uncertainty associated with data volatility by incorporating prudence in the Province’s budget and fiscal plan.

Table 1 – Data Volatility**Standard deviations and averages of growth rates of selected B.C. economic variables and prices**

All figures are based on the annual per cent change of calendar year data ¹	1982-2021		2002-2021		2012-2021	
	Average ² (%)	Standard Deviation (percentage points)	Average ² (%)	Standard Deviation (percentage points)	Average ² (%)	Standard Deviation (percentage points)
Real GDP	2.5	2.5	2.7	2.2	2.6	2.3
Nominal GDP	5.2	3.3	4.8	3.6	4.9	3.9
Nominal consumption	5.4	2.3	4.7	2.4	4.3	3.0
Nominal business investment	5.5	9.2	7.3	7.4	7.1	6.0
Nominal residential home sales	12.9	23.5	12.8	21.9	13.2	26.2
Nominal household income	5.2	2.5	4.7	2.1	4.9	1.3
Nominal compensation of employees	4.9	2.9	4.6	3.1	4.9	3.2
Nominal net operating surplus of corporations	11.0	30.1	7.0	16.1	6.7	14.7
Consumer price index	2.5	1.9	1.7	0.8	1.6	0.9
Exchange rate	0.0	5.4	1.3	6.5	-2.2	5.4
Copper price	6.7	24.7	12.5	28.9	2.3	21.4
Natural gas price	7.7	39.0	5.2	46.8	11.3	57.0
Pulp price	3.8	21.4	5.0	19.2	2.8	21.5
SPF 2x4 price	6.2	22.6	9.3	25.7	16.2	27.1
Housing starts	3.3	23.4	7.9	23.1	6.9	14.4
Population	1.5	0.7	1.2	0.4	1.5	0.3

¹ Calendar and fiscal year data yield similar data volatility results

² Measured as the mean

Sources: Statistics Canada; Haver Analytics; Ministry of Energy, Mines & Low Carbon Innovation; Ministry of Forests; The Canadian Real Estate Association; Canada Mortgage and Housing Corporation; Ministry of Finance calculations

PART 2

FINANCIAL REVIEW

2022/23 Overview

Table 2.1 2022/23 Fiscal Summary

(\$ millions)	2022/23			Actual
	Budget	Actual	Variance	2021/22 ¹
Revenue	68,552	81,536	12,984	72,392
Expense	(71,013)	(79,342)	(8,329)	(68,120)
Pandemic and Recovery Contingencies	(2,000)	(1,490)	510	(3,007)
Forecast allowance	(1,000)	-	1,000	-
Surplus (Deficit)	(5,461)	704	6,165	1,265
Capital spending:				
Taxpayer-supported capital spending	9,279	6,755	(2,524)	6,002
Self-supported capital spending	4,374	4,165	(209)	3,730
Total capital spending	13,653	10,920	(2,733)	9,732
Provincial Debt:				
Taxpayer-supported debt	73,475	59,934	(13,541)	62,341
Self-supported debt	30,956	29,492	(1,464)	28,325
Total debt (including forecast allowance)	105,431	89,426	(16,005)	90,666
Key debt affordability metrics:				
Taxpayer-supported debt-to-GDP ratio	20.0%	15.4%	-4.6%	17.9%
Taxpayer-supported debt-to-revenue ratio	110.9%	74.3%	-36.6%	90.8%

¹ Figures have been restated to reflect government accounting policies in effect at March 31, 2023, and the impact of Statistics Canada's historical data revisions of economic growth.

Fiscal year 2022/23 was the second year in a row with a large fiscal improvement compared to budget. *Budget 2022* projected a deficit of \$5.5 billion for the year but the pandemic recovery was robust, resulting in significant government revenue improvements, which were also impacted by inflationary effects. The higher revenues allowed the government to provide additional supports to British Columbians in the fiscal year, while recording a \$704 million surplus (see Table 2.5.1 for detailed quarterly changes to the forecast).

Revenue was \$13.0 billion higher than *Budget 2022*, with most of the increases in personal and corporate income taxes, sales tax, and natural resources. (See Revenue section for further details.)

Total government expenses were \$7.8 billion higher than *Budget 2022* due to a number of affordability measures provided to B.C. residents and one-time spending initiatives authorized through Supplementary Estimates. (See Expense section for further details.)

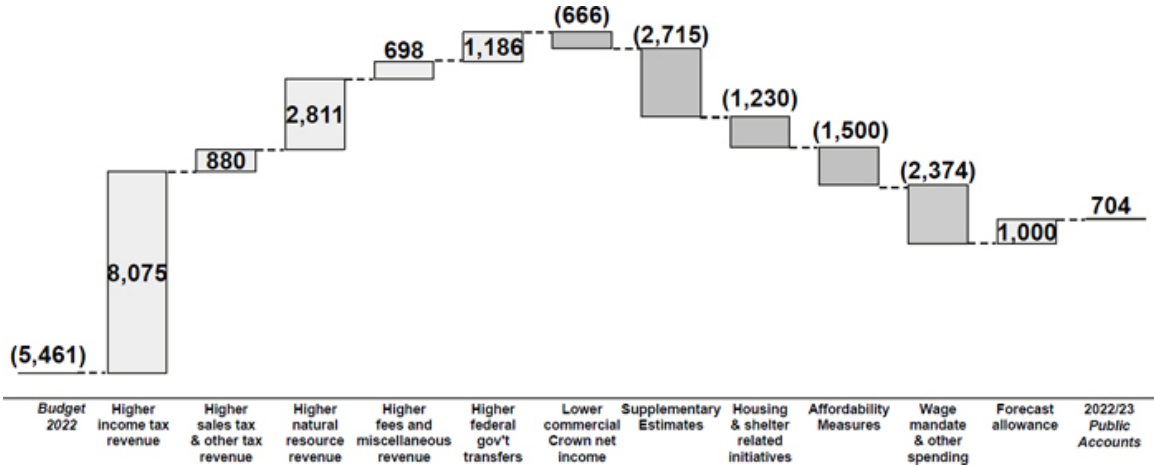
Taxpayer-supported capital spending on hospitals, schools, post-secondary institutions, transportation infrastructure, social housing and other projects totalled \$6.8 billion. This is \$2.5 billion less than *Budget 2022* due to scheduling delays across the sectors.

Self-supported capital spending of \$4.2 billion was \$209 million lower than budget. (See Capital section for further details.)

Chart 2.1 2022/23 Surplus (Deficit) – Major Changes from *Budget 2022*

Improvement of \$6.17 billion, resulted in a \$704 million surplus

\$ millions



As a result of improved operating results and lower capital spending, taxpayer-supported debt at year end was \$59.9 billion, which is \$13.5 billion lower than forecast in *Budget 2022*. Self-supported debt was \$29.5 billion, lower than budget by \$1.5 billion, mainly reflecting improved operating cashflows and opening balances.

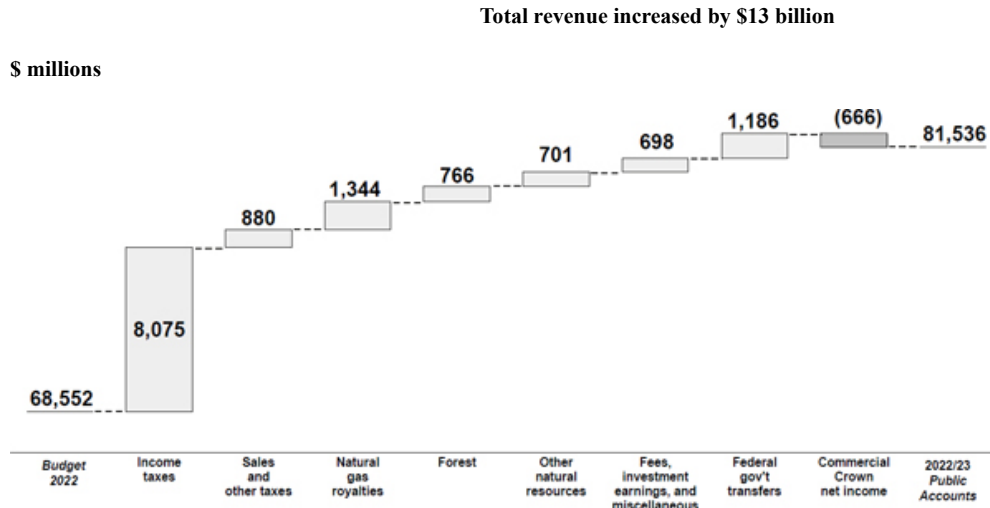
Financial information in this publication, including this chapter and Appendix 2, is sourced from the government's *2022/23 Public Accounts*.

Revenue

Revenue totalled \$81.5 billion in 2022/23, \$13 billion higher than the *Budget 2022* projection and up 12.6 per cent from 2021/22. Compared to budget, higher revenues were recorded in taxation, natural resources, investment earnings, miscellaneous sources and federal government transfers, partly offset by lower commercial Crown corporations' net incomes.

Changes of the major revenue components from *Budget 2022* are outlined as follows.

Chart 2.2 Revenue Changes from *Budget 2022*



Income Tax Revenue

Personal income tax revenue was up \$4.4 billion mainly due to the effects of stronger 2021 tax assessments and household income, resulting in a one-time revenue gain of \$2.5 billion. In 2021, B.C. household income increased 5.5 per cent while total taxes increased 19.8 per cent, mainly reflecting stronger employment and investment incomes from middle to higher income earning individuals. The remaining \$1.9 billion increase is due to the carry-forward impacts of the higher 2021 tax base, an improved forecast of 2022 and 2023 household income growth and the impacts of preliminary 2022 tax assessment information.

Table 2.2.1 Personal Income Tax Revenue Changes from *Budget 2022*

	Revenue changes (\$ millions)	Indicators (annual percent change)	<i>Budget 2022</i>	2022/23 <i>Public Accounts</i>
Prior year adjustment - mainly stronger 2021 tax returns	2,520	Household income	2021 4.9%	5.5%
			2022 3.6%	7.1% ¹
			2023 3.9%	6.1% ¹
Carry-forward impacts of the higher 2021 tax base and improved forecast of 2022 and 2023 household income growth	1,900	B.C. taxable income	2021 3.1%	9.9%
	4,420		2022 2.2%	2.5%
			2023 2.9%	5.9%

¹ *Budget 2023* forecast

Corporate income tax revenue was up \$3.7 billion mainly due to higher entitlement in respect of 2021 (\$1.8 billion) and increased installment payments (\$1.9 billion) from the federal government for tax years 2022 and 2023. B.C. uses the cash received from the federal government as the basis for estimating the tax revenue, with adjustments between the estimated revenues of previous years and actual provincial corporate tax assessment results. For tax year 2022, the Province made an adjustment to the cash-based forecast to incorporate preliminary tax assessment information. The \$1.9 billion increase in payments reflects a higher federal government forecast of 2022 corporate taxable income as well as the impacts of preliminary 2022 corporate tax assessment information. The 2021 B.C. corporate income tax returns were stronger than expected resulting in a \$1.8 billion increase to the prior year's settlement payment. In 2021, B.C. taxable income increased 35.7 per cent annually compared to the 26.3 per cent annual increase in the net operating surplus of B.C. corporations.

Table 2.2.2 Corporate Income Tax Revenue Changes from Budget 2022

	Revenue changes (\$ millions)	Indicators (\$ billions)	Budget 2022	Actual 2022/23
Prior years' settlement payment	1,795	Payment Share	14.43%	13.99%
		2022 national corporate tax base	406.0	620.2
		2021 national corporate tax base	397.6	516.8
		2021 B.C. corporate tax base	57.4	71.5
Expected 2022/23 payments from federal government - advance instalment payments and updates from preliminary 2022 tax assessment information	1,860			
	<u>3,655</u>			

Other Tax Revenue

Sales tax revenues were \$809 million higher than budget due to higher nominal expenditure on consumption of goods (mainly semi-durable goods) and services, as well as the effects of higher inflation. The temporary rebate on select machinery and equipment also contributed to higher sales tax revenue as the rebate claims were \$27 million lower than assumed at budget.

Property transfer tax revenue was \$207 million lower than budget due to a lower number of transactions resulting from higher mortgage rates. Compared to 2021/22, revenue decreased \$1 billion (-31.1 per cent), as the average tax per residential transaction decreased 31.6 per cent, while the number of residential transactions decreased by 31.2 per cent. Revenue from the foreign buyers' tax (included in total property transfer tax revenue) was \$79 million compared to the \$104 million budget assumption.

Fuel tax revenue was down \$30 million from budget mainly due to higher fuel tax refunds resulting from overpayments, partly offset by higher than assumed gasoline volume purchases.

Carbon tax revenue was down \$150 million from budget mainly due to higher refunds related to heavy fuel oil volumes resulting from overpayments, and lower than assumed natural gas volumes. The 2022/23 revenue includes the carbon tax rate increase from \$45 to \$50 per tonne of carbon dioxide equivalent emissions on April 1, 2022.

Tobacco tax revenue was down \$229 million from budget reflecting a decline in consumption volumes.

Table 2.2.3 Consumption Tax Revenue Changes from Budget 2022

	Revenue changes (\$ millions)	Indicators (annual percent change for the 2022 calendar year)	Budget 2022	2022/23 Public Accounts ¹
		Nominal consumer expenditures	8.1%	9.6%
		Nominal consumer expenditures on semi-durable goods	2.2%	7.5%
		Nominal consumer expenditures on services	11.4%	14.6%
Provincial sales	809	Nominal business investment	3.9%	11.5%
Fuel	(30)	Consumer price index	2.9%	6.9%
Carbon	(150)	Real GDP	4.0%	2.8%
Tobacco	(229)	Nominal GDP	5.8%	11.0%
	<u>400</u>	Retail sales	4.0%	3.1%

¹ Budget 2023 forecast for most variables, except retail sales and consumer price index which are actuals.

Property tax revenue was \$80 million higher than budget due to higher revenues from residential, business, rural property taxes and BC Transit property levies. The speculation and vacancy tax revenue at \$52 million in 2022/23 was \$28 million lower than the budget estimate, based on declarations by property owners for 2022 as well as reassessments relating to prior tax years.

Table 2.2.4 Property Tax Revenue Changes from Budget 2022

	Revenue changes (\$ millions)
Residential tax	68
Non-residential tax	24
Speculation and vacancy tax	(28)
Other	16
Total changes	<u>80</u>

Insurance premium tax revenue was \$144 million higher than budget mainly due to higher activity, lower than expected ICBC rebates and higher insurance costs reflecting increased risk associated with earthquakes, wildfires and extreme weather events.

Employer health tax revenue was \$463 million higher than budget mainly due to increases in employer payrolls, reflecting compensation of employee growth as well as increased reassessments relating to prior tax years.

Table 2.2.5 Other Tax Revenue Changes from Budget 2022

	Revenue changes (\$ millions)	Indicators (annual percent change for the 2022 calendar year)	Budget 2022	2022/23 Public Accounts ¹
Employer Health Tax	463	Compensation of employees	6.0%	11.3%
Insurance premium	144			
	<u>607</u>			

¹ Budget 2023 forecast.

Natural Resources Revenue

Natural gas royalties were \$1,344 million higher than budget due to higher prices for natural gas and natural gas byproducts, partly offset by increased utilization of the royalty and infrastructure credit programs. The transition to a new royalty system, applicable to all new wells, is phased in over two years starting on September 1, 2022, and has also contributed to higher natural gas royalties. In 2022/23 natural gas prices averaged \$4.09 (\$Cdn/gigajoule, plant inlet), a 95.7 per cent increase from budget assumption. Byproducts include pentane, butane and condensate whose prices are more closely aligned to oil rather than natural gas. Prices for these byproducts were 13 to 46 per cent higher than expected. The Ministry of Indigenous Relations and Reconciliation recovered \$247 million of natural gas royalties revenue in support of revenue sharing and other agreements with First Nations.

Coal, metals and other minerals revenue was \$488 million higher than budget mainly due to higher metallurgical coal prices attributable to strong global steel production and increased demand. This increase is partially offset by lower copper prices. Metallurgical coal prices averaged \$322 (US/tonne) in 2022/23, up 59.4 per cent from the budget assumption. Copper prices were \$ 3.87 (US/lb) in 2022/23, down 2 per cent from the budget assumption. The Ministry of Indigenous Relations and Reconciliation recovered \$92 million of coal, metals and other minerals revenue in support of revenue sharing and other agreements with First Nations.

Revenue from other energy sources was \$209 million higher than budget mainly due to the effects of higher Mid-Columbia (Mid-C) electricity and petroleum prices. In 2022/23, petroleum prices averaged \$90.19 (\$US per barrel), up 27.6 per cent from budget (\$70.66) and Mid-C electricity prices averaged \$85.35 (\$US per mega-watt hour), up 48.4 per cent from the budget assumption (\$57.50). Higher Mid-C electricity prices during the year were a result of tightening of generation capacity in western electricity markets due to changing power generation resources. The Ministry of Indigenous Relations and Reconciliation recovered \$66 million of Columbia River Treaty electricity sales revenue in support of revenue sharing and other agreements with First Nations.

Table 2.2.6 Energy and Mineral Revenue Changes from Budget 2022

	Revenue changes (\$ millions)	Indicators	Budget 2022	Actual 2022/23
Natural gas royalties	1,344	Natural gas price (\$Cdn/GJ, plant inlet)	\$ 2.09	\$ 4.09
		Natural gas production (annual change)	3.7%	8.9%
		Pentane price (\$C/bbl)	\$ 78.48	\$ 107.59
		Condensates price (\$C/bbl)	\$ 76.12	\$ 98.52
Petroleum royalties	15	Oil price (\$US/bbl)	\$ 70.66	\$ 90.19
Coal, metals and other minerals	488	Metallurgical coal price (\$US/tonne)	\$ 202	\$ 322
		Copper price (\$US/lb)	\$ 3.95	\$ 3.87
Electricity sales under the Columbia River Treaty	180	Electricity price (\$US/Mwh)	\$ 57.50	\$ 85.35
Other sources ¹	14			
	<u>2,041</u>			

¹ Includes Crown land tenures and fees and levies collected by the BC Energy Regulator.

Forests revenue was \$766 million higher than budget mainly due to higher than expected stumpage and logging tax revenue, reflecting increased average stumpage rate and lumber prices. Logging tax revenue was \$343 million higher than budget, of which 77 per cent was related to reassessments of prior years. This increase is partially offset by lower Crown harvest volumes. Lumber prices for spruce, pine and fir (SPF) 2x4 averaged \$814 (\$US/1000 bf) in 2022, up 41.6 per cent from the budget assumption (\$575). The total Crown harvest volumes for 2022/23 were 37.2 million cubic metres, 6.9 per cent lower than budget. The Ministry of Indigenous Relations and Reconciliation recovered \$107 million of stumpage revenue in support of an interim enhancement to the Forest Consultation and Revenue Sharing Agreements with First Nations announced in April 2022.

Table 2.2.7 Forest Revenue Changes from Budget 2022

	Revenue changes (\$ millions)	Indicators	Budget 2022	Actual 2022/23
Stumpage from timber tenures	309	SPF 2x4 (\$US/1000 bf, calendar year)	\$ 575	\$ 814
BC Timber Sales	48	Total stumpage rate (\$/m ³)	\$ 25.04	\$ 38.05
Logging Tax	343	Harvest volumes (million m ³)	40.0	37.2
Recoveries relating to revenue sharing payments to First Nations	61			
Other receipts	5			
	<u>766</u>			

Other natural resource revenues, comprised of revenue from water rentals and hunting and fishing licenses, were \$4 million higher than budget mainly due to higher water rentals revenue.

Other Taxpayer-Supported Sources

Revenue from fees, investment earnings and other miscellaneous sources totalled \$10.7 billion, up \$698 million from budget.

Fee revenue totalled \$4.9 billion, up \$42 million from budget mainly due to higher revenues from health authorities and other fees, partly offset by lower revenues from K-12 school districts and post-secondary institutions.

Miscellaneous revenue totalled \$4.4 billion, up \$638 million from budget mainly due to higher revenues from SUCH1 sector agencies and higher vote recoveries related to the PharmaCare and other health spending programs. The higher vote recovery funding had an equal and offsetting expense increase.

Revenue from investment earnings was \$1.3 billion, up \$18 million from budget due to higher overall investment returns reflecting higher interest rates, partly offset by lower recoveries through the fiscal agency loan program. Lower vote recovery funding was equally offset by lower expenses.

¹ SUCH: School districts, universities, colleges and institutes, and health organizations.

Table 2.2.8 Other Revenue Changes from Budget 2022

	Revenue changes (\$ millions)	
Fees	42	Higher revenues from health authorities and other fees partly offset by lower revenues from K-12 school districts and post-secondary institutions
Miscellaneous sources	638	Higher revenues in taxpayer-supported SUCH sector agencies, higher PharmaCare and other vote recoveries
Investment earnings	18	Higher overall investment returns partly offset by lower recoveries through the fiscal agency loan program
	<u>698</u>	

Federal Government Transfers

Contributions from the federal government totalled \$12.5 billion, \$1.2 billion above budget.

Canada Health Transfer and Canada Social Transfer entitlements were up \$243 million mainly due to one-time funding of \$272 million to reduce or eliminate back-logs of medical and surgical procedures, partly offset by lower than assumed B.C. share of the national population (13.66 per cent compared to 13.68 per cent forecast at budget) and deductions relating to prior years under the *Canada Health Act*.

Table 2.2.9 Federal Government Transfer Changes from Budget 2022

	Revenue changes (\$ millions)	
B.C. health and social transfers revenue	(29)	Lower than assumed B.C. share of the national population and deductions relating to prior years under the Canada Health Act
One-time B.C. health funding	272	One-time funding to reduce or eliminate back-logs of medical and surgical procedures
COVID-19 related funding	123	Higher funding through the <i>Safe Restart Agreement</i> supporting municipalities and transit systems, through the <i>Safe Return to Class</i> fund for school ventilation and higher spending related to the Financial Assistance Agreement to Support Closure and Restoration of Oil and Gas Sites in British Columbia
Disaster Financial Assistance Arrangements	625	Mainly reflecting a change which allows earlier revenue recognition of eligible claims applied to the Disaster Financial Assistance Arrangements in support of wildfires and extreme weather events which occurred in 2021 and prior years. Also includes costs related to the highway recovery program in response to the 2021 rainstorm event
Vote recoveries	175	Mainly higher labour market & skills training, agriculture, home care and mental health funding
SUCH sector	27	Higher transfers to taxpayer-supported SUCH sector agencies (mainly post-secondary institutions)
Crown corporations and agencies	(18)	Lower transfers to taxpayer supported Crown entities (mainly BC Housing and the Royal BC Museum)
Other receipts	11	Mainly higher receipts from B.C.'s share of federal cannabis excise tax entitlement
	<u>1,186</u>	

COVID-19 pandemic-related funding contributions were up \$123 million due to additional funding through the *Safe Restart Agreement* supporting municipalities and transit systems (\$102 million), the *Safe Return to Class* fund for school ventilation (\$12 million) and higher vote recoveries for the Financial Assistance Agreement to Support Closure and Restoration of Oil and Gas Sites in British Columbia (\$9 million).

Other federal government contributions were up \$820 million from budget. The increase reflects an accounting treatment change which allows earlier revenue recognition of eligible claims applied to Disaster Financial Assistance Arrangements (\$625 million). Ministries received \$175 million higher vote recovery mainly due to increased funding in support of labour market and skills training, agriculture, home care and mental health programs. The higher vote recoveries funding had an equal and offsetting expense increase. Other ministry receipts were \$11 million higher than budget mainly due to B.C.'s share of federal cannabis excise tax reflecting growth in the number of licensed retail establishments. SUCH sector entities (mainly post-secondary institutions) received \$27 million higher contributions. Taxpayer-supported Crown corporations received \$18 million lower contributions, mainly by BC Housing and the Royal BC Museum.

Commercial Crown Corporations

The net income of commercial Crown corporations (government business enterprises) was \$3.1 billion in 2022/23, \$666 million lower than *Budget 2022*, and \$2.3 billion lower than 2021/22. The variance from budget in overall earnings is mainly due to operating results of ICBC and the BC Hydro.

British Columbia Hydro and Power Authority

BC Hydro's net income was \$360 million, \$352 million lower than the forecast in *Budget 2022* primarily due to cost-of-living credits issued to customers. Many variances, including those related to revenues, cost of energy, amortization, finance charges and others are deferred to regulatory accounts, as approved by the British Columbia Utilities Commission, and do not impact net income.

British Columbia Liquor Distribution Branch

BC Liquor Distribution Branch's (LDB) net income of \$1.2 billion was \$33 million higher than the forecast in *Budget 2022* due to lower than planned expenses.

British Columbia Lottery Corporation

BC Lottery Corporation's net income of \$1.6 billion² was \$373 million higher than the prior year and \$169 million higher than *Budget 2022*. The increase in net income from budget was primarily due to the performance of casino revenue.

² Net of payments to the federal government and payments to the BC First Nations Gaming Revenue Sharing Limited Partnership in accordance with section 14.3 of the *Gaming Control Act (B.C.)*.

Insurance Corporation of British Columbia

The Insurance Corporation of British Columbia's (ICBC) reported a net loss of \$197 million, compared to \$327 million net income projected in *Budget 2022*, and net income of \$2.2 billion in the previous year. The net loss was mainly due to lower investment income compared to budget, including the recognition of an impairment loss from the depreciation of bond and equity funds.

More information about commercial Crown corporations' financial results and performance measures is provided in each corporation's Annual Service Plan Report available at its respective website.

Table 2.3 Revenue by Source

(\$ millions)	<i>Budget 2022</i>	Actual 2022/23	Actual 2021/22
Taxation			
Personal income	12,848	17,268	13,704
Corporate income	5,501	9,156	5,053
Employer health	2,257	2,720	2,443
Sales ¹	9,009	9,818	8,731
Fuel	1,051	1,021	1,022
Carbon	2,311	2,161	2,011
Tobacco	760	531	708
Property	3,173	3,253	3,012
Property transfer	2,500	2,293	3,327
Insurance premium	660	804	706
	40,070	49,025	40,717
Natural resources			
Natural gas royalties	911	2,255	920
Forests	1,121	1,887	1,893
Other natural resources ²	1,355	2,056	1,658
	3,387	6,198	4,471
Other revenue			
Post-secondary education fees	2,679	2,651	2,536
Other fees and licences ³	2,207	2,277	2,048
Investment earnings	1,298	1,316	1,306
Miscellaneous ⁴	3,807	4,445	3,910
	9,991	10,689	9,800
Contributions from the federal government			
Health and social transfers	8,363	8,606	8,541
COVID-19 related funding	40	163	301
Other federal contributions ⁵	2,937	3,757	3,138
	11,340	12,526	11,980
Commercial Crown corporation net income			
BC Hydro	712	360	668
Liquor Distribution Branch	1,166	1,199	1,189
BC Lottery Corporation ⁶	1,415	1,584	1,211
ICBC ⁷	327	(197)	2,216
Other ⁸	144	152	140
	3,764	3,098	5,424
Total revenue	68,552	81,536	72,392

¹ Includes provincial sales tax and HST/PST housing transition tax related to prior years.

² Columbia River Treaty, Crown land tenures, other energy and minerals, water rental and other

³ Healthcare-related, motor vehicle, and other fees.

⁴ Includes reimbursements for health care and other services provided to external agencies, and other recoveries.

⁵ Includes contributions for health, education, community development, housing and social service programs, and transportation projects.

⁶ Net of payments to the federal government and payments to the BC First Nations Gaming Revenue Sharing Limited Partnership in accordance with section 14.3 of the *Gaming Control Act (B.C.)*

⁷ Does not include non-controlling interest.

⁸ Includes Columbia Power Corporation, BC Railway Company, Columbia Basin power projects, and post-secondary institutions' self-supported subsidiaries.

Table 2.4 Expense by Ministry, Program and Agency

(\$ millions)	<i>Budget</i> 2022 ¹	Contingencies allocation	Pandemic & Recovery Contingencies	Statutory authorization ²	Supplementary Estimates	Total authorizations	Actual 2022/23	Actual 2021/22 ¹
Office of the Premier	15	-	-	-	-	15	14	13
Agriculture and Food	107	75	-	-	111	293	292	114
Attorney General	706	91	-	11	-	808	807	710
Children and Family Development	1,742	2	-	-	-	1,744	1,743	1,680
Citizens' Services	657	26	-	-	85	768	768	610
Education and Child Care	8,217	16	-	1	-	8,234	8,233	7,853
Emergency Management and Climate Readiness	479	5	2	335	-	821	821	65
Energy, Mines and Low Carbon Innovation	112	284	-	4	-	400	399	322
Environment and Climate Change Strategy	368	200	2	11	-	581	574	565
Finance	1,221	74	9	2,788	-	4,092	4,059	1,963
Forests	833	131	-	226	-	1,190	1,190	1,529
Health	25,456	-	779	-	150	26,385	26,385	25,723
Housing	669	93	135	-	-	897	897	593
Indigenous Relations and Reconciliation	178	525	-	-	75	778	777	548
Jobs, Economic Development and Innovation	111	114	-	-	-	225	225	592
Labour	17	17	-	-	-	34	34	37
Mental Health and Addictions	25	173	-	-	-	198	198	19
Municipal Affairs	260	169	-	-	1,495	1,924	1,923	401
Post-Secondary Education and Future Skills	2,613	79	-	-	-	2,692	2,691	2,629
Public Safety and Solicitor General	913	64	1	-	150	1,128	1,126	1,457
Social Development and Poverty Reduction	4,456	185	-	-	49	4,690	4,689	4,354
Tourism, Arts, Culture and Sport	173	169	86	-	-	428	427	405
Transportation and Infrastructure	956	112	476	-	500	2,044	2,044	974
Water, Land and Resource Stewardship	92	272	-	-	100	464	464	82
Total ministries and Office of the Premier	50,376	2,876	1,490	3,376	2,715	60,833	60,780	53,238
Management of public funds and debt	1,378	-	-	-	-	1,378	1,314	1,280
Contingencies Vote ³	4,848	(2,876)	(1,490)	-	-	482	1	-
Funding for capital expenditures	3,734	-	-	-	-	3,734	2,248	2,202
Refundable tax credit transfers	2,044	-	-	1,876	-	3,920	3,920	1,837
Legislative Assembly and other appropriations	185	-	-	8	-	193	181	208
Total appropriations	62,565	-	-	5,260	2,715	70,540	68,444	58,765
Elimination of transactions between appropriations ⁴	(17)	-	-	(7)	-	(24)	(24)	(13)
Prior year liability adjustments	-	-	-	-	-	-	(98)	(36)
Consolidated revenue fund expense	62,548	-	-	5,253	2,715	70,516	68,322	58,716
Expenses recovered from external entities	4,011	-	-	-	-	4,011	4,919	4,054
Funding provided to service delivery agencies	(35,863)	-	-	-	-	(35,863)	(38,236)	(35,558)
Total direct program spending	30,696	-	-	5,253	2,715	38,664	35,005	27,212
Service delivery agency expense								
School districts	7,733	-	-	-	-	7,733	7,933	7,430
Universities	6,154	-	-	-	-	6,154	6,053	5,625
Colleges and institutes	1,528	-	-	-	-	1,528	1,591	1,509
Health authorities and hospital societies	19,644	-	-	-	-	19,644	22,814	20,790
Other service delivery agencies	7,258	-	-	-	-	7,258	7,436	8,561
Total service delivery agency expense	42,317	-	-	-	-	42,317	45,827	43,915
Total expense	73,013	-	-	5,253	2,715	80,981	80,832	71,127

¹ Restated to reflect government's current organization and accounting policies. Effective December 7, 2022, the Ministry of Housing and the Ministry of Emergency Management and Climate Readiness were established with programs transferred from other ministries. A number of other programs were also transferred between ministries as a part of this reorganization.

² Statutory authorizations are appropriations permitted by an Act other than a *Supply Act*.

³ *Budget 2022* includes the following spending allocations: \$2.0 billion for Pandemic and Recovery and \$2.8 billion for General Programs and CleanBC.

4 Reflects payments made under an agreement where an expense from a voted appropriation is recorded as revenue by a special account (Housing Endowment Fund and British Columbia Training and Education Savings Program).

Table 2.5.1 2022/23 Operating Results by Quarter

	(\$ millions)				
	(5,461)				(5,461)
2022/23 deficit at <i>Budget 2022</i> (February 22, 2022)		706			
2022/23 surplus at the <i>First Quarterly Report</i> (September 12, 2022)			5,732		
2022/23 surplus at the <i>Second Quarterly Report</i> (November 25, 2022)				3,592	
2022/23 surplus at the <i>Third Quarterly Report</i> (February 28, 2023)					
	Q1	Q2	Q3	Q4	Total
	Update	Update	Update	Update	Changes
Revenue¹ changes:					
Personal income tax – stronger 2021 tax assessment resulting in an unusual high prior year adjustment and impacts of an improved household income and preliminary 2022 tax assessments	2,924	1,269	671	(444)	4,420
Corporate income tax – based on increase in instalments reflecting an improved outlook of 2022 national corporate taxable income, impacts of preliminary 2022 tax assessments, and a higher prior year settlement payment related to stronger 2021 tax assessments	1,813	2,808	397	(1,363)	3,655
Provincial sales tax – mainly reflecting year-to-date results and the impacts of the 2021/22 results	374	114	196	125	809
Property transfer tax – due to slower housing market and higher mortgage rates	-	(300)	50	43	(207)
Employer health tax – mainly higher wages and re-assessment related to prior years	243	100	75	45	463
Other taxation sources – mainly reflecting year-to-date results and the impacts of the 2021/22 results	32	(120)	(2)	(95)	(185)
Natural gas royalties – changes in prices and natural gas liquids royalties partly offset by changes in utilization of royalty and infrastructure programs/credits	1,688	(176)	(217)	49	1,344
Mining – changes in coal and copper prices, partly offset by changes in mining costs	443	(43)	-	88	488
Electricity sales under the Columbia River Treaty – changes in Mid-C electricity prices	137	9	75	(41)	180
Forests – higher stumpage rates and logging tax reflecting lumber prices	394	218	122	32	766
Other natural resources – mainly changes in petroleum prices and water rental revenues	36	(9)	-	6	33
Post-secondary Institutions - changes in fees and other revenue sources	(115)	(46)	(30)	180	(11)
Other sources – changes in investment earnings, fees, miscellaneous and higher vote recoveries	(17)	43	298	385	709
Canada health and social transfers – mainly one-time funding to reduce or eliminate backlogs of medical and surgical procedures and changes in B.C. share of national population	257	(7)	-	(7)	243
Other federal government transfers – mainly change to Disaster Financial Assistance Arrangements recognition of eligible claims, higher vote recoveries & transfers to taxpayer-supported entities	1,001	(41)	(65)	48	943
Commercial Crown corporation net income – mainly changes at ICBC and BCLC	92	(576)	33	(215)	(666)
Total revenue changes	9,302	3,243	1,603	(1,164)	12,984
Less : expense¹ increases (decreases):					
Consolidated Revenue Fund changes:					
Supplementary Estimates	-	-	2,715	-	2,715
Unused Contingencies spending allocation	-	-	-	(481)	(481)
Ministry and Legislative Assembly savings	-	-	-	(65)	(65)
Statutory spending:					
Fire management costs	229	(6)	-	(5)	218
<i>Emergency Program Act</i>	-	-	-	335	335
<i>Rental Protection Fund</i> & other housing initiatives	-	-	500	730	1,230
<i>Shared Recovery Mandate for labour negotiations</i>	1,900	(1,100)	(300)	1,000	1,500
Affordability measures	1,000	100	500	(100)	1,500
Other statutory spending	14	89	44	(45)	102
Refundable tax credits – mainly reflects 2021 tax assessment information	77	92	253	(47)	375
Other expense changes	(122)	(85)	124	(86)	(169)
Spending funded by third party recoveries	75	10	-	823	908
Changes in spending profile of service delivery agencies:					
School districts	60	11	176	(47)	200
Universities	(97)	35	(16)	(23)	(101)
Colleges and institutes	43	(19)	20	19	63
Health authorities and hospital societies	1,580	15	838	737	3,170
Other service delivery agencies ²	149	(112)	(100)	241	178
(Increase) decrease in transfers to service delivery agencies - accounting elimination	(1,773)	(113)	(711)	(1,262)	(3,859)
Total expense changes	3,135	(1,083)	4,043	1,724	7,819
Subtotal	6,167	4,326	(2,440)	(2,888)	5,165
Forecast allowance - decrease (increase)	-	700	300	-	1,000
Total changes	6,167	5,026	(2,140)	(2,888)	6,165
2022/23 surplus at the <i>First Quarterly Report</i>	<u>706</u>				
2022/23 surplus at the <i>Second Quarterly Report</i>			<u>5,732</u>		

2022/23 surplus at the *Third Quarterly Report*
2022/23 surplus at the *Public Accounts*

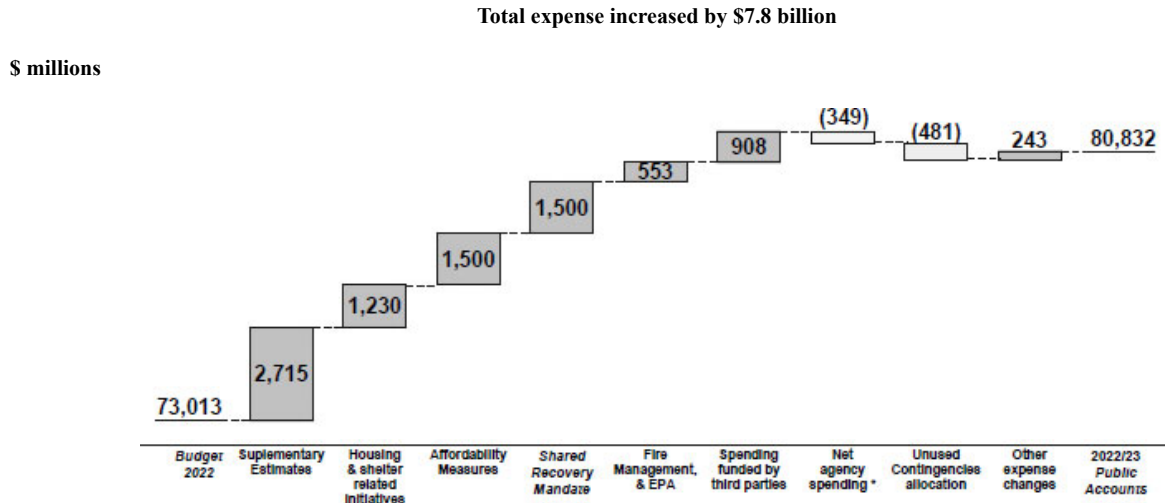
3,592
704 704

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- ¹ Detailed descriptions of changes are provided in the revenue and expense sections of this report.
² Includes BC Transportation Financing Authority, BC Transit, BC Housing Management Commission, Community Living BC, and other entities.

Expense

In 2022/23, government expenses totalled \$80.8 billion, \$7.8 billion higher than *Budget 2022* and \$9.7 billion (13.7 per cent) higher than the previous year.

Chart 2.3 Expense Changes from *Budget 2022*



*Net agency spending reflects changes to spending of SUCH sector and other agencies, net of changes to government funding. For details, see table 2.5.1

Consolidated Revenue Fund Spending

Statutory spending by the government during the year totalled \$5.25 billion in the following areas:

- \$1.5 billion to fund one-time affordability measures to address cost of living concerns for British Columbians, including \$1.4 billion for the BC Affordability Credit provided through the Climate Action Tax Credit and \$100 million for the BC Family Benefit;
- \$1.5 billion for signed agreements under the *Shared Recovery Mandate* (Ministry of Finance);
- \$1.2 billion to fund various housing and shelter related initiatives, including the Rental Protection Fund, under the *Housing Priority Initiatives Special Account* (Ministry of Finance);
- \$335 million for prior year wildfires and floods, including the 2021 November Rainstorm, under the *Emergency Program Act* (Ministry of Emergency Management and Climate Readiness);
- \$218 million in wildfire costs over the voted appropriation, for a total spending of \$412 million (Ministry of Forests);
- \$375 million for refundable tax transfers reflecting 2021 tax assessments; and
- \$102 million in other areas, including \$39 million from the Long Term Disability Special Account and \$21 million from the Insurance and Risk Management Special Account.

Other CRF spending was \$715 million lower than *Budget 2022* mainly due to an unused portion of the Contingencies Vote (\$481 million), ministry and other savings (\$65 million), and other expense changes (\$169 million), including prior period adjustments and lower interest costs).

Government provided \$2.715 billion in additional spending which was authorized through *Supplementary Estimates*, including:

- \$1.0 billion to support local governments with the costs of upgrading, adding capacity, and extending core infrastructure and community amenities as well as support additional housing supply (Ministry of Municipal Affairs);
- \$500 million in grants to BC Ferries to support fare affordability for coastal ferry users during the next performance term from 2024 through 2028 and climate initiatives to meet greenhouse gas (GHG) reductions by 2030 (Ministry of Transportation and Infrastructure);
- \$450 million in funding for Critical Community Infrastructure to support targeted projects located in each economic development region in B.C. Projects will support certain local communities in meeting public and environment health regulations in a time sensitive manner (Ministry of Municipal Affairs);
- \$160 million in funding for food security initiatives to support British Columbians access an affordable supply of nutritious food (Ministry of Agriculture and Food, and Ministry of Social Development and Poverty Reduction);
- \$150 million to the BC Cancer Foundation to support cancer research by expanding genomics and precision health, expanding access to new medicines, enhancing capacity to participate in research studies and establishing innovative cancer treatment programs (Ministry of Health);
- \$150 million to support local, remote and Indigenous communities with planning, preparation, and implementation of technology and infrastructure upgrades for the transition to Next Gen 911 (Ministry of Public Safety and Solicitor General);
- \$100 million to support projects that benefit a range of provincial priorities, including wild salmon health, clean drinking water, biodiversity, flood resilience, economic opportunities, and reconciliation with First Nations (Ministry of Water, Land and Resource Stewardship);
- \$85 million to fund new highway cellular coverage across the province as well as to support connectivity in the southeast region of B.C. (Ministry of Citizens' Services);
- \$75 million in funding to advance government commitments under existing reconciliation initiatives with First Nations across B.C. (Ministry of Indigenous Relations and Reconciliation); and
- \$45 million to support public libraries and service partners to address local priorities and support accessibility, inclusion, and reconciliation (Ministry of Municipal Affairs).

Contingencies

Government used the Contingencies Vote as a prudent budgeting tool to fund priority initiatives and manage budget pressures. *Budget 2022* included a Contingencies Vote of \$4.85 billion with \$2.0 billion allocated for pandemic measures, and \$2.85 billion for General Programs and CleanBC.

Table 2.5.2 provides for spending details for the \$1.5 billion spent under the Pandemic and Recovery Contingencies.

Table 2.5.2 2022/23 Pandemic and Recovery Contingencies Spending

(\$ millions)	Actual 2022/23
Health COVID-19 management	
Health COVID-19 management	780
Total Health and Safety	780
Supports for Vulnerable Populations	
Temporary housing, shelter, and supports for vulnerable populations	135
Total Supports Vulnerable Populations	135
Tourism Initiatives	
Arts, culture and creative sector resilience funding	30
Destination development	32
Port and airport development	9
Various tourism initiatives	23
Total Tourism Initiatives	94
Other Recovery Initiatives	
Transportation Safety Measures	468
Various recovery initiatives	13
Total Other Recovery Initiatives	481
Total Pandemic and Recovery Contingencies Spending Measures	1,490

The \$2.88 billion contingencies in the General Programs and CleanBC sub-votes was spent on a number of priority initiatives and pressures, including:

- \$525 million for various treaty and non-treaty agreements with First Nations, including costs under the Priority Negotiation Funding Envelope and funding to the New Relationship Trust to support implementation of the Declaration Act Action Plan (Ministry of Indigenous Relations and Reconciliation);
- \$284 million mainly to support various CleanBC initiatives, including the BC Indigenous Clean Energy Initiative (Ministry of Energy, Mines and Low Carbon Innovation);
- \$272 million to support various land and natural resource management initiatives including BC Parks Foundation, Blueberry River Restoration Society and the Great Bear Sea Initiative (Ministry of Water, Land, and Resource Stewardship);
- \$200 million mainly to support various CleanBC initiatives as well as the Clean Coast Clean Waters Initiative Fund, the Neucel Pulp Mill Site Stabilization and the BC Parks Foundation Endowment (Ministry of Environment and Climate Change Strategy);
- \$185 million to fund various social programs and initiatives including income assistance and community living services, the Vancouver Foundation, First Nations Well-being Fund, the Communication Assistance for Youth and Adults program and the BC Association of Aboriginal Friendship Centres (Ministry of Social Development and Poverty Reduction);
- \$173 million in grants to local governments and communities for various programs including initial flood recovery costs, the Abbotsford Drinking Water Resilience Project and the Investing in Canada Infrastructure Program (Ministry of Municipal Affairs);

- \$173 million to fund various mental health and addictions initiatives including various programs at the Canadian Mental Health Association BC and community-based First Nations Treatment Centres in the First Nations Health Authority (Ministry of Mental Health and Addictions);
- \$169 million to support various arts and cultural investments including funding for the creative sector, the B.C. Fairs, Festivals and Events Fund, the Vancouver Art Gallery and the expansion of Science World (Ministry of Tourism, Arts, Culture and Sport);
- \$115 million to fund various economic development initiatives including the Rural Economic Diversification and Infrastructure Program, Maritime Infrastructure, and to support Old Growth (Ministry of Jobs, Economic Development and Innovation);
- \$131 million to fund wildfire services and prevention, reforestation, the Silviculture Innovation Program, and various other initiatives (Ministry of Forests);
- \$111 million to support various transportation related initiatives including the Island Rail Corridor, BC Ferries electrification plan, extend the Get on Board program at TransLink, and highway maintenance (Ministry of Transportation and Infrastructure);
- \$93 million to fund various housing initiatives including support for housing projects by the Aboriginal Housing Management Association, capacity building in not-for-profit housing organizations, and local governments development approval programs (Ministry of Housing);
- \$89 million to fund various justice sector initiatives, including the historical wrongs recognition for Japanese Canadians, and other program operating pressures (Ministry of Attorney General);
- \$78 million to support various training and education programs and initiatives including funding for graduate student internships, and skills training for forest workers (Ministry of Post-Secondary Education and Future Skills);
- \$77 million to fund various agriculture and food programs and initiatives including the Agriculture Irrigation Infrastructure program, Commercially Viable Replant Program, the BC SPCA Facility Modernization Fund as well to as to support the agriculture flood response (Ministry of Agriculture and Food);
- \$63 million to fund various public safety program operating pressures and initiatives including policing, RoadSafetyBC, corrections, court services and victim services (Ministry of Public Safety and Solicitor General);
- \$138 million in other areas to fund various operating pressures and initiatives such as Old Growth supports, funding to public and independent school boards and enhancements to the BC Repayment Assistance Program.

Spending Recovered from Third Parties

Third party spending relates to program spending funded or co-funded by parties outside of government. Cost-recovered spending was \$908 million higher than *Budget 2022* due to:

- \$493 million higher recoverable health care costs mainly due to PharmaCare costs and Regional Services;
- \$461 million higher recoveries from natural resource revenue for non-treaty related revenue sharing and economic benefits agreements;

- \$263 million net increases in other program areas such as labour market development, workforce development and skills training, and transportation; offset by
- \$220 million lower recoveries in interest payments from commercial Crown corporations through the fiscal agency loan program and sinking fund investment returns;
- \$89 million lower recoveries from the federal government due to timing of local government infrastructure projects.

The recovered spending changes are offset by an equal net increase in revenue and as a result have no net impact on government's financial results.

Operating Transfers to Service Delivery Agencies

Operating transfers paid to service delivery agencies may change during the fiscal year as ministries make budget allocations, Contingencies Vote access is approved, and funding is provided under statutory authority provisions. In 2022/23, operating grants to agencies increased by \$3.9 billion compared to *Budget 2022* primarily due to higher grants to health authorities (\$2.9 billion) to support pandemic related services and wage mandate increases, the BC Housing Management Commission to provide housing and shelter for vulnerable populations (\$560 million), the education sector mainly to fund wage mandate increases (\$364 million) and various other service delivery agencies (\$45 million).

Service Delivery Agency Spending

Service delivery agency spending was \$3.51 billion higher than *Budget 2022*, made up of the following:

- School districts' spending was \$200 million higher than *Budget 2022* due to higher than anticipated salaries & benefits and operating costs.
- Post-secondary institutions spending was \$38 million lower than *Budget 2022* mainly due to decreased student-related operating costs. The lower spending is partly offset by lower student-related tuition and ancillary revenues.
- Health authority and hospital society spending was \$3.17 billion higher than *Budget 2022* due to increased costs associated with health system priorities and the ongoing pandemic. Costs to address health system priorities include salaries and operating costs associated with growing demand for healthcare services and the *Shared Recovery Mandate*. Pandemic related costs include overtime, vaccination program, and continuation of the single site order and screeners.
- Spending in other service delivery agencies was \$178 million higher than *Budget 2022* reflecting increased grants provided by the BC Housing Management Commission to support affordable rental housing projects (\$163 million) and higher spending by Community Living BC to increase its supports and services (\$94 million) offset by lower spending by the BC Transportation Financing Authority (\$79 million).

A detailed review of the above changes by quarter is available in Table 2.5.1. Further information on 2022/23 spending by function is provided in Appendix Table A2.6.

Provincial Capital Spending

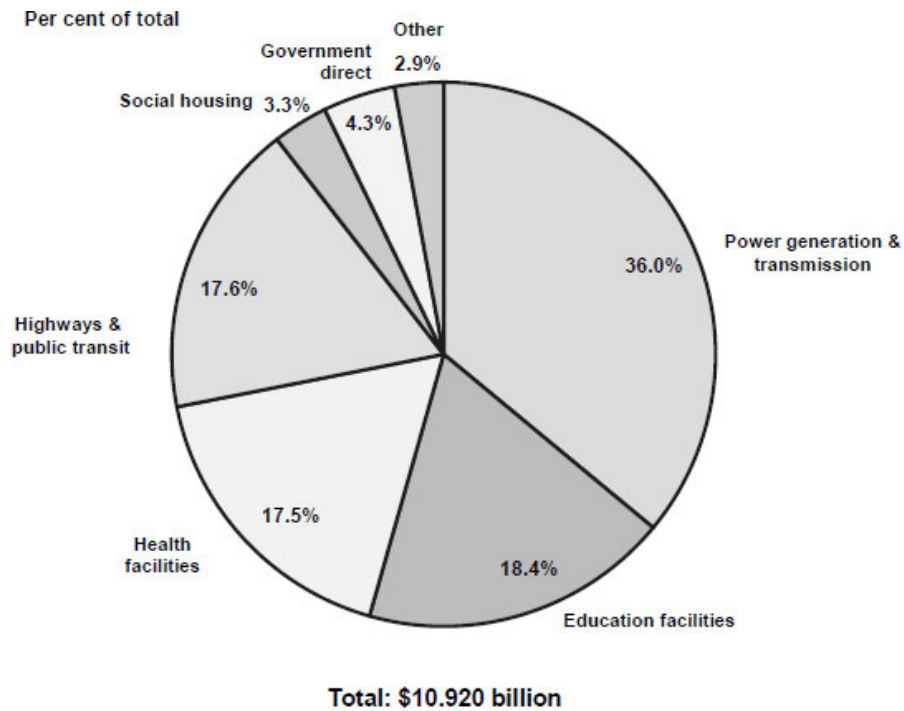
In 2022/23, capital spending totalled \$10.9 billion, which was comprised of \$6.7 billion for taxpayer-supported infrastructure and \$4.2 billion for the self-supported infrastructure of commercial Crown corporations and agencies.

Direct spending on health and education facilities, social housing, and government capital projects (i.e. government ministry infrastructure, including IT systems and correctional institutions) represented 44 per cent of total capital spending in 2022/23.

Spending on highways and public transportation reflects government’s transportation and transit investments, comprising approximately 18 per cent of total capital spending in 2022/23. While this spending is predominantly taxpayer financed, a portion is funded from the federal government and other external sources.

Spending on power generation and transmission projects is the largest single category of capital spending and is entirely self-supported. The spending primarily reflects BC Hydro’s refurbishment and expansion of its generating and transmission assets.

Chart 2.4 Components of Total Capital Spending – 2022/23



Taxpayer-Supported Capital Spending

In 2022/23, government spending on taxpayer-supported infrastructure was \$2.5 billion lower than forecast in *Budget 2022*.

Education facilities spending, which includes both the K-12 and post-secondary sector, was \$314 million lower than budget, primarily due to timing changes for site acquisitions and projects under construction in the K-12 sector; and supply chain constraints, labour shortages and project scheduling changes in the post-secondary sector.

Health facilities spending was \$669 million lower than budget, primarily due to timing of expenditures associated with major projects under construction, including the Royal Columbian Hospital Redevelopment, Cowichan District Hospital Replacement, Burnaby Hospital Redevelopment – Phase 1, and the New St. Paul’s Hospital, as well as projects in procurement, including the Dawson Creek and District Hospital Replacement.

Highways and public transit spending was \$899 million lower than budget, primarily due to timing changes for the construction of the Broadway Subway and Pattullo Bridge Replacement projects, and procurement of the Surrey Langley SkyTrain.

Social Housing, Ministry and Other spending was \$642 million lower than budget, primarily due to timing changes for the development of housing projects, procurement of the Royal BC Museum Collections and Research Building, construction of the Nanaimo Correctional Centre, and upgrades and maintenance of core government assets.

The above scheduling and cash flow changes do not represent a reduction in capital spending; rather the spending has been shifted to future years within the provincial capital plan.

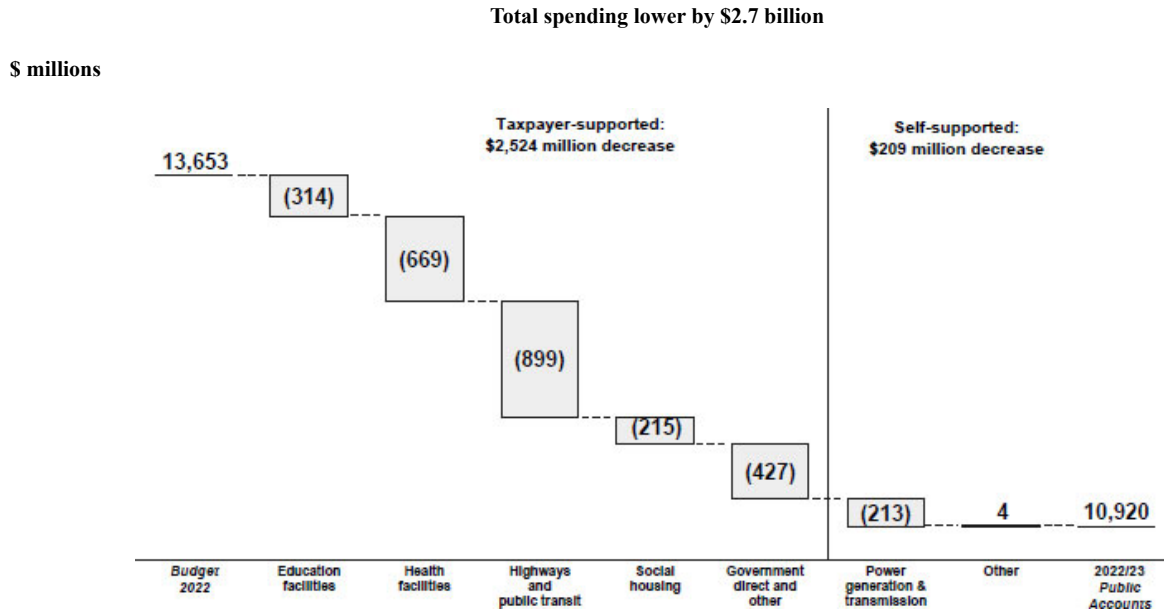
Table 2.6 Capital Spending

(\$ millions)	<i>Budget</i> 2022	Actual 2022/23	Actual 2021/22
Taxpayer-supported			
Education facilities	2,319	2,005	1,900
Health facilities	2,584	1,915	1,555
Highways and public transit	2,822	1,923	1,431
Social Housing	572	357	642
Government direct (ministries)	755	470	386
Other	227	85	88
Total taxpayer-supported	9,279	6,755	6,002
Self-supported commercial			
Power generation and transmission	4,142	3,929	3,484
Other	232	236	246
Total self-supported	4,374	4,165	3,730
Total capital spending	13,653	10,920	9,732

Self-Supported Capital Spending

Self-supported commercial Crown corporation and agency spending on capital projects in 2022/23 was \$209 million lower than *Budget 2022* primarily due to timing changes of BC Hydro’s Site C capital project.

Further details on capital spending are provided in Appendix Table A2.9.

Chart 2.5 Capital Spending Changes from *Budget 2022*

Major Capital Projects

Significant capital projects (those with multi-year budgets totalling \$50 million or more) are shown in Table 2.7. Investments in these larger projects will provide long-term social and economic benefits for the province.

As projects are completed, or new ones receive approval, the projects are removed from or added to the \$50 million table.

During the 2022/23 fiscal year, the following projects were removed:

- Simon Fraser University – Energy Systems Engineering Building;
- Children’s and Women’s Hospital Redevelopment;
- Highway 1 Lower Lynn Corridor improvements;
- 6585 Sussex Ave (Affordable Rental Housing);
- ICBC – Enhanced Care Coverage program; and
- BC Hydro’s John Hart generating station replacement, Fort St. John and Taylor Electric Supply project, and Downtown Vancouver Electricity Supply: West End strategic property purchase.

The following projects were added to the \$50 million table during the fiscal year:

- Burke Mountain Secondary School (\$160 million);
- New Cloverley Elementary School (\$64 million);
- Pineview Valley Elementary School (\$65 million);
- Douglas College – Academic and Student Housing (\$293 million);
- Royal Roads University – Westshore Learning Centre (\$100 million);
- Vancouver Island University – Student Housing and Dining (\$88 million);

- Centre for Children and Youth Living with Health Complexity (\$222 million);
- Vancouver General Hospital – Operating Rooms Renewal – Phase 2 (\$332 million);
- St. Vincent’s Heather Long-Term Care (\$207 million);
- Nanaimo Regional General Hospital ICU/HAU Redevelopment (\$60 million);
- Western Communities Long-Term Care (\$224 million);
- Highway 7 Widening – 266th St. to 287th St. (\$106 million);
- Surrey Langley SkyTrain (\$4.0 billion);
- Highway 17 Keating Cross Overpass (\$77 million);
- Highway 5 Corridor (\$350 million);
- BC Transit Victoria HandyDART Facility (\$60 million);
- 1015 Hastings St Development (\$138 million);
- 128 to 134 East Cordova St. (\$159 million);
- 320 Hastings St E. Redevelopment (\$81 million); and
- BC Hydro – Lake Buntzen 1 Coquitlam Tunnel Gates Refurbishment (\$67 million), Mainwaring station upgrade project (\$154 million), Kootenay Canal modernize controls project (\$61 million), and Peace to Kelly Lake stations sustainment project (\$344 million).

Financing Capital Spending

Provincial capital infrastructure spending is financed through a combination of sources:

- borrowing (debt financing);
- operating cash flows (i.e. cash derived from the operating surplus and management of operating accounts);
- partnerships with the private sector (public-private partnerships or P3s); and
- cost-sharing with partners.

Chart 2.6 shows that 86 per cent of 2022/23 taxpayer-supported capital spending was financed from operating cash flows, seven per cent from federal contributions and six per cent from other contributions. Public-private partnerships accounted for one per cent of the financing.

Self-supported commercial Crown and agency capital spending of \$4.2 billion was financed 29 per cent from direct net borrowing (\$1.2 billion), and 71 per cent from operating cash flows (\$3.0 billion).

Chart 2.6 Financing Taxpayer-Supported Capital Spending

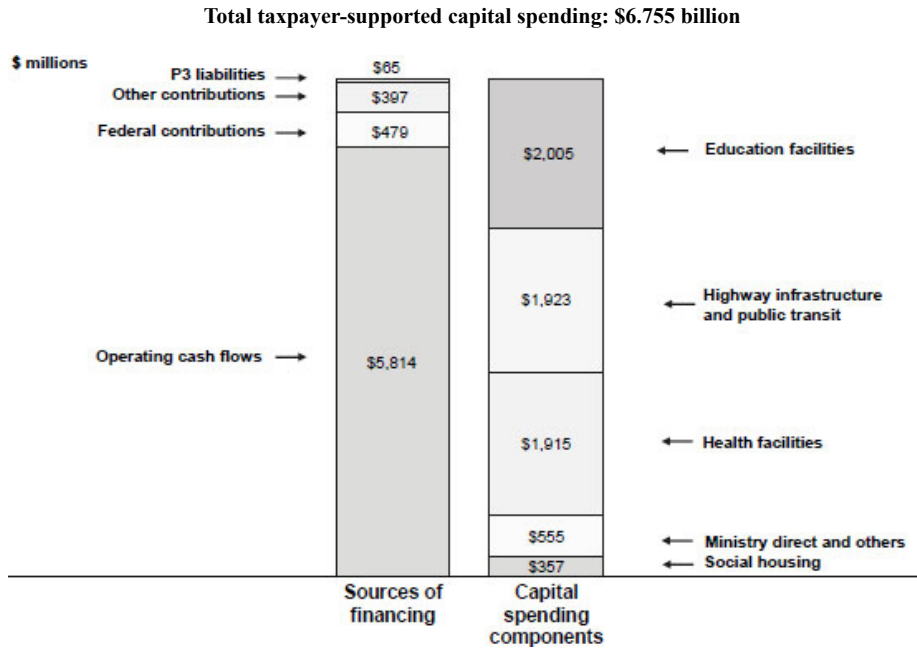


Table 2.7 Capital Expenditure Projects Greater Than \$50 million ¹

(\$ millions)	Year of Completion	Project Cost to Mar. 31, 2023	Estimated Cost to Complete	Anticipated Total Cost	Internal/Borrowing	P3 Liability	Federal Gov't	Other Contrib'n's
Schools								
Centennial Secondary ²	2017	59	2	61	61	-	-	-
Grandview Heights Secondary ²	2021	77	6	83	63	-	-	20
New Westminster Secondary ²	2021	92	15	107	107	-	-	-
Handsworth Secondary ²	2022	66	3	69	69	-	-	-
Pexsisen Elementary and Centre Mountain Lellum Middle ²	2022	87	2	89	89	-	-	-
Quesnel Junior School ²	2022	45	7	52	52	-	-	-
Stitó's Láclém totí:lt Elementary Middle School ²	2022	52	2	54	49	-	-	5
Burnaby North Secondary	2023	94	14	108	99	-	-	9
Coast Salish Elementary ³	2023	21	22	43	38	-	-	5
Cowichan Secondary	2024	33	53	86	84	-	-	2
Eric Hamber Secondary	2024	60	46	106	94	-	-	12
Victoria High School	2024	71	29	100	97	-	-	3
Burke Mountain Secondary	2026	2	158	160	135	-	-	25
New Cloverley Elementary School	2026	-	64	64	61	-	-	3
Pineview Valley Elementary	2026	-	65	65	65	-	-	-
George Pringle Secondary	2027	6	100	106	103	-	-	3
Seismic mitigation program ⁴	2030	1,355	671	2,026	2,026	-	-	-
Total schools		2,120	1,259	3,379	3,292	-	-	87
Post-secondary institutions								
British Columbia Institute of Technology								
– Health Sciences Centre for Advanced Simulation ²	2022	89	-	89	66	-	-	23
Simon Fraser University – Student Housing ²	2023	108	-	108	73	-	-	35
University of Victoria – Student Housing	2023	200	32	232	128	-	-	104
Okanagan College – Student Housing	2024	15	60	75	74	-	-	1
Capilano University – Student Housing	2024	6	52	58	41	-	-	17
North Island College – Student Housing	2024	4	74	78	76	-	-	2
Royal Roads University - West Shore Learning Centre	2024	33	67	100	80	-	-	20
University of the Fraser Valley – Student Housing	2024	-	75	75	63	-	-	12
British Columbia Institute of Technology – Student Housing	2025	26	94	120	108	-	-	12
The University of British Columbia								
– School of Biomedical Engineering	2025	27	112	139	25	-	-	114
Vancouver Island University – Student Housing and Dining	2025	-	88	88	87	-	-	1
University of Victoria								
– Engineering and Computer Science Building Expansion	2026	5	128	133	97	-	-	36
British Columbia Institute of Technology								
– Trades and Technology Complex	2027	-	178	178	152	-	-	26
Douglas College – Academic and Student Housing	2027	3	290	293	203	-	-	90
Total post-secondary institutions		516	1,250	1,766	1,273	-	-	493
Health facilities								
Royal Columbian Hospital Redevelopment – Phase 1 ²	2020	247	4	251	242	-	-	9
Red Fish Healing Centre for Mental Health and Addiction -								
θaqi? law?naq íelám ²	2021	129	2	131	131	-	-	-
Vancouver General Hospital – Operating Rooms Renewal – Phase 1 ²	2021	101	1	102	35	-	-	67
Peace Arch Hospital Renewal ²	2022	86	1	87	8	-	-	79
Penticton Regional Hospital Patient Care Tower ²								
– Direct procurement	2022	65	11	76	18	-	-	58
– P3 contract	2019	232	-	232	-	139	-	93
Dogwood Lodge Long-term Care Home Replacement	2023	53	12	65	-	-	-	65
Lions Gate Hospital – New Acute Care Facility	2024	125	185	310	144	-	-	166
Stuart Lake Hospital Replacement	2024	56	102	158	140	-	-	18
Nanaimo Regional General Hospital – ICU/HAU Redevelopment	2024	31	29	60	22	-	-	38
Mills Memorial Hospital Replacement	2026	400	233	633	513	-	-	120
Royal Columbian Hospital Redevelopment Phases 2 & 3 ⁵	2026	469	775	1,244	1,182	-	-	62
Cowichan District Hospital Replacement	2027	87	1,359	1,446	1,148	-	-	298
Burnaby Hospital Redevelopment - Phase 1 ⁶	2027	66	546	612	578	-	-	34
Dawson Creek and District Hospital Replacement	2027	22	568	590	413	-	-	177
New St Paul's Hospital	2027	571	1,609	2,180	1,327	-	-	853
New Surrey Hospital and BC Cancer Centre	2027	9	1,715	1,724	1,664	-	-	60

Health facilities continued on the next page



Table 2.7 Capital Expenditure Projects Greater Than \$50 million ¹

(\$ millions)	Year of Completion	Project Cost to Mar. 31, 2023	Estimated Cost to Complete	Anticipated Total Cost	Internal/Borrowing	P3 Liability	Federal Gov't	Other Contrib'n's
Health facilities continued								
Royal Inland Hospital Phil and Jennie Gagliardi Tower								
– Direct procurement	2027	62	67	129	39	-	-	90
– P3 contract	2022	288	-	288	-	164	-	124
Western Communities Long-Term Care	2027	-	224	224	157	-	-	67
Centre for Children and Youth Living with Health Complexity	2028	3	219	222	193	-	-	29
Cariboo Memorial Hospital Redevelopment	2029	20	347	367	257	-	-	110
St. Vincent's Heather Long-Term Care	2028	1	206	207	207	-	-	-
Vancouver General Hospital – Operating Rooms Renewal – Phase 2	2029	8	324	332	312	-	-	20
Richmond Hospital Redevelopment ⁷	2031	5	856	861	791	-	-	70
Clinical and Systems Transformation	2025	718	81	799	702	-	-	97
iHealth Project – Vancouver Island Health Authority	2025	133	22	155	55	-	-	100
Total health facilities		<u>3,987</u>	<u>9,498</u>	<u>13,485</u>	<u>10,278</u>	<u>303</u>	-	<u>2,904</u>
Transportation								
Highway 91 Alex Fraser Bridge Capacity Improvements ²	2019	67	3	70	37	-	33	-
Highway 1 Illecillewaet Four-Laning and Brake Check improvements ²	2021	74	1	75	59	-	16	-
Highway 99 10-Mile Slide ²	2021	75	9	84	84	-	-	-
Highway 4 Kennedy Hill Safety Improvements ²	2022	54	-	54	40	-	14	-
Highway 14 Corridor improvements	2023	62	15	77	48	-	29	-
Highway 1 Chase Four-Laning	2023	88	132	220	208	-	12	-
Highway 1 Salmon Arm West	2023	87	68	155	124	-	31	-
Highway 91 to Highway 17 and Deltaport Way Corridor improvements	2023	239	21	260	87	-	82	91
Kootenay Lake ferry service upgrade	2023	50	35	85	68	-	17	-
West Fraser Road Realignment	2023	59	44	103	103	-	-	-
Highway 1 Quartz Creek Bridge Replacement	2024	56	65	121	71	-	50	-
Highway 1 Kicking Horse Canyon Phase 4 ⁸	2024	466	135	601	386	-	215	-
Pattullo Bridge Replacement ⁹	2024	676	701	1,377	1,076	301	-	-
Highway 5 Corridor	2024	94	256	350	350	-	-	-
BC Transit Victoria HandyDART Facility	2025	20	40	60	26	-	21	13
Highway 1 216th - 264th Street widening	2025	53	292	345	226	-	96	23
Highway 1 R.W. Bruhn Bridge	2025	35	190	225	134	-	91	-
Highway 7 Widening - 266th St to 287th St	2025	19	87	106	77	-	29	-
Highway 99 / Steveston Interchange, Transit & Cycling Improvements ¹⁰	2025	34	103	137	137	-	-	-
Highway 17 Keating Cross Overpass	2025	12	65	77	58	-	17	2
Broadway Subway ¹¹	2026	1,089	1,738	2,827	1,380	450	897	100
Highway 1 Ford Road to Tappen Valley Road Four-Laning	2026	38	205	243	161	-	82	-
Surrey Langley SkyTrain Project ¹²	2028	65	3,945	4,010	2,476	-	1,306	228
Fraser River Tunnel Project ^{10, 13}	2030	53	4,095	4,148	4,148	-	-	-
Total transportation		<u>3,565</u>	<u>12,245</u>	<u>15,810</u>	<u>11,564</u>	<u>751</u>	<u>3,038</u>	<u>457</u>
Other taxpayer-supported								
Housing								
Stanley New Fountain Hotel ²	2023	75	3	78	9	-	-	69
13583 81st Ave	2023	42	8	50	37	-	-	13
Crosstown	2024	35	37	72	61	-	-	11
58 W Hastings	2024	27	131	158	67	-	19	72
1015 Hastings St Development	2025	11	127	138	100	-	19	19
128 to 134 East Cordova St	2025	10	149	159	88	-	27	44
320 Hastings St E. Redevelopment	2025	-	81	81	45	-	5	31
Clark & 1st Ave	2026	7	102	109	75	-	-	34
Other								
Nanaimo Correctional Centre Replacement	2024	101	80	181	181	-	-	-
Royal BC Museum – Collections and Research Building	2025	31	239	270	270	-	-	-
Total other taxpayer-supported		<u>339</u>	<u>957</u>	<u>1,296</u>	<u>933</u>	-	<u>70</u>	<u>293</u>
Total taxpayer-supported		<u>10,527</u>	<u>25,209</u>	<u>35,736</u>	<u>27,340</u>	<u>1,054</u>	<u>3,108</u>	<u>4,234</u>

Table 2.7 Capital Expenditure Projects Greater Than \$50 million ¹

(\$ millions)	Year of Completion	Project Cost to Mar. 31, 2023	Estimated Cost to Complete	Anticipated Total Cost	Internal/Borrowing	P3 Liability	Federal Gov't	Other Contrib'n's
Power generation and transmission								
BC Hydro								
-UBC load increase stage 2 project ²	2020	53	-	53	53	-	-	-
-Bridge River 2 upgrade units 7 and 8 project ²	2021	74	1	75	75	-	-	-
-LNG Canada load interconnection project ²	2021	81	1	82	58	-	-	24
-Peace Region Electricity Supply (PRES) project ^{2, 14}	2021	218	1	219	219	-	TBD	-
-Mica replace units 1 to 4 generator transformers project ²	2022	75	14	89	89	-	-	-
-Mount Lehman substation upgrade project ²	2023	53	2	55	55	-	-	-
-G.M. Shrum G1 to 10 control system upgrade	2023	69	6	75	75	-	-	-
-5L063 Telkwa relocation project	2023	46	20	66	66	-	-	-
-Lake Buntzen 1 Coquitlam Tunnel Gates Refurbishment project	2023	42	25	67	67	-	-	-
-Street light replacement program	2023	55	20	75	75	-	-	-
-Various Sites - NERC Critical Infrastructure Protection implementation project for cyber assets	2023	40	20	60	60	-	-	-
-Wahleach refurbish generator project	2023	44	20	64	64	-	-	-
-Capilano substation upgrade project	2024	56	31	87	87	-	-	-
-Mica modernize controls project	2024	47	9	56	56	-	-	-
-Vancouver Island radio system project	2024	41	12	53	53	-	-	-
-Natal - 60-138 kV switchyard upgrade project	2025	23	61	84	84	-	-	-
-Site C project ¹⁵	2025	11,020	4,980	16,000	16,000	-	-	-
-Sperring substation (SPG) metalclad switchgear replacement project	2026	34	42	76	76	-	-	-
-Treaty Creek Terminal - Transmission Load Interconnection (KSM) project	2026	27	82	109	72	-	-	37
-Mainwaring station upgrade project	2026	12	142	154	154	-	-	-
-Kootenay Canal modernize controls project	2028	3	58	61	61	-	-	-
-Peace to Kelly Lake stations sustainment project	2028	18	326	344	344	-	-	-
Total power generation and transmission		12,131	5,873	18,004	17,943	-	-	61
Total self-supported		12,131	5,873	18,004	17,943	-	-	61
Total \$50 million projects		22,658	31,082	53,740	45,283	1,054	3,108	4,295

¹ Only projects that receive provincial funding and have been approved by Treasury Board and/or Crown corporation boards are included in this table. Ministry service plans may highlight projects that still require final approval. Capital costs reflect current government accounting policy.

² Assets have been put into service and only trailing costs remain.

³ The anticipated total cost was previously reported as \$52 million and has been reduced to \$43 million to reflect current estimates.

⁴ The Seismic Mitigation Program consists of all spending to date on Phase 2 of the program and may include spending on projects greater than \$50 million included in the table above.

⁵ The Royal Columbian Hospital new acute care tower is expected to be available to patients in 2025.

⁶ The concept plan for Phase 2 of the Burnaby Hospital Redevelopment has been approved. Financial information will be added to the table upon business case approval.

⁷ The Richmond Hospital new acute care tower is expected to be available to patients in 2028.

⁸ Kicking Horse Canyon Project costs exclude \$11 million of past planning costs which are expensed.

⁹ Pattullo Bridge forecasted to open to the public in 2024 with old bridge decommissioning to follow. Forecasted amount reflects total expenditures including capitalized and expensed items.

¹⁰ Project is part of the Highway 99 Tunnel Program.

¹¹ The Broadway Subway Project forecast and value of costs incurred to date include the City of Vancouver in-kind contribution of land rights, in keeping with the approved project budget. Under current government accounting, purchased intangible assets are given accounting recognition, and contributed intangible assets, such as land use rights or licenses are not.

¹² Total project cost includes \$3.939 billion capital costs and \$0.071 billion operating costs.

¹³ The Fraser River Tunnel is forecasted to open to the public in 2030 with the removal of the existing tunnel to follow.

¹⁴ The total cost represents the gross cost of the project and has not been netted for Federal Government contributions. The Federal Government's contribution amount is dependent on the final actual project costs and what costs are eligible under the agreement.

¹⁵ The approved updated project cost estimate is \$16 billion, with a project in-service date of 2025 (first and last generating unit in-service in December 2024 and 2025, respectively). The anticipated project cost and cost to date include capital costs, charges subject to regulatory deferral and certain operating expenditures.

Provincial Debt

As at March 31, 2023, total provincial debt was \$89.4 billion, a decrease of \$1.2 billion over the year, amounting to 23.0 per cent of B.C.'s nominal GDP. About 33 per cent of the total debt is self-supported through the activities of commercial Crown corporations.

The taxpayer-supported debt-to-GDP ratio, a measure often used by investors and credit rating agencies to analyze a government's ability to manage its debt load, stood at 15.4 per cent. This is lower by 2.5 percentage points from 2021/22 and is 4.6 percentage points lower than forecast in *Budget 2022*. The debt-to-revenue ratio was 74.3 per cent, 36.6 percentage points lower than the *Budget 2022* forecast and a decrease of 16.5 percentage points from 2021/22.

Table 2.8 Provincial Debt Summary ¹

(\$ millions)	<i>Budget</i> 2022	Opening Balance Adjustment ²	Updated <i>Budget</i> 2022	Actual 2022/23	Actual 2021/22
Taxpayer-supported debt					
Provincial government					
Operating	10,411	1,514	11,925	-	7,233
Capital ³	40,573	(571)	40,002	36,538	36,487
Total provincial government	50,984	943	51,927	36,538	43,720
Taxpayer-supported entities					
BC Transportation Financing Authority	17,512	(341)	17,171	18,992	14,615
Health Authorities and Hospital Societies	1,831	(30)	1,801	1,983	1,839
Post Secondary institutions	888	23	911	910	922
Social Housing ⁴	1,932	16	1,948	1,241	974
Other	328	(1)	327	270	271
Total taxpayer-supported entities	22,491	(333)	22,158	23,396	18,621
Total taxpayer-supported debt	73,475	610	74,085	59,934	62,341
Self-supported debt	30,956	(489)	30,467	29,492	28,325
Total debt before forecast allowance	104,431	121	104,552	89,426	90,666
Forecast allowance	1,000	(1,000)	-	-	-
Total provincial debt	105,431	(879)	104,552	89,426	90,666
Debt to GDP ratios:					
Taxpayer-supported debt	20.0%		20.1% ⁵	15.4%	17.9%
Total provincial debt	28.7%		28.4%	23.0%	26.1%

¹ Provincial debt is prepared in accordance with Generally Accepted Accounting Principles and presented consistent with the Debt Summary Report included in the *Public Accounts*. Debt is shown net of sinking funds and unamortized discounts, excludes accrued interest, and includes non-guaranteed debt directly incurred by commercial Crown corporations and debt guaranteed by the Province.

² The opening balance adjustment reflects actual balances at March 31, 2022 (the *Budget 2022* projection was based on a forecast for 2021/22).

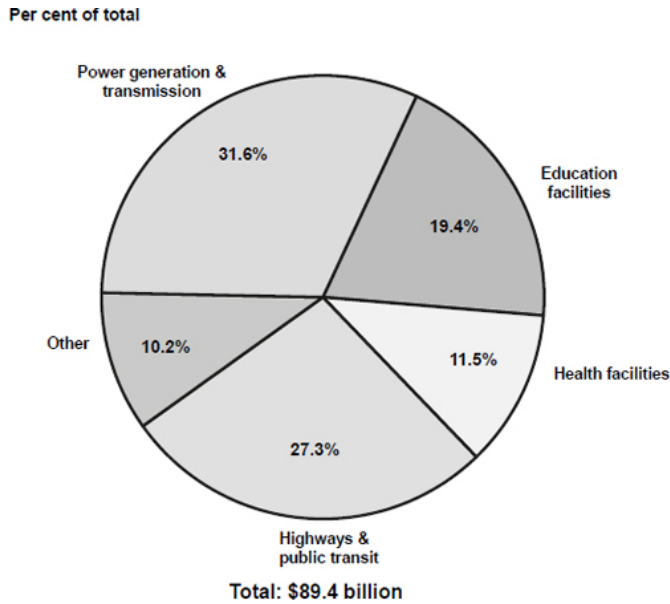
³ Includes debt incurred by the government to fund the building of capital assets in the education, health, social housing and other sectors.

⁴ Includes debt incurred by BC Housing Management Commission and the Provincial Rental Housing Corporation to fund investments in affordable housing through HousingHub.

⁵ Revised to reflect Statistics Canada's Provincial Economic Accounts update released on November 8, 2022.

Taxpayer-supported debt includes provincial government borrowings for operating and capital needs, and borrowings by taxpayer-supported entities. Provincial government issues capital grants to organizations for funding their infrastructure, including schools, post-secondary institutions and health facilities (SUCH), and social housing. Taxpayer-supported entities' debt is mainly the debt of the BC Transportation Financing Authority that was incurred to fund highways and public transit projects.

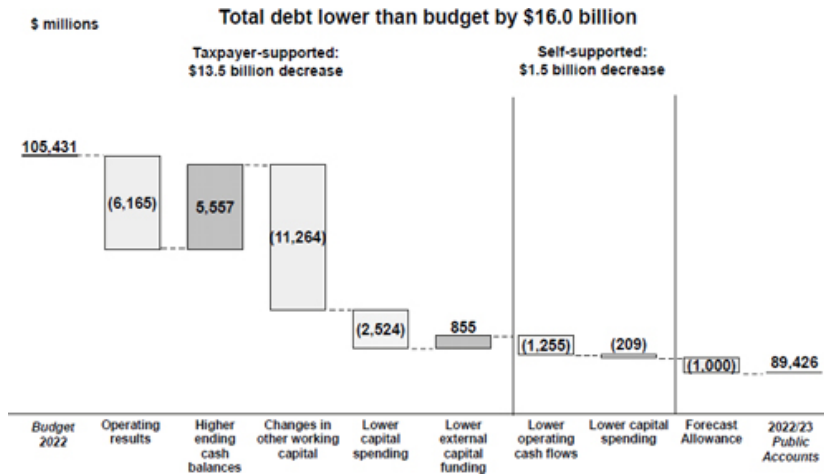
Chart 2.7 Components of Total Provincial Debt – 2022/23



Self-supported debt includes power generation and transmission debt which is entirely commercial in nature and is predominantly the debt of BC Hydro. A portion of this debt reflects borrowing for the Columbia Basin power projects managed by Columbia Power Corporation and Columbia Basin Trust. Self-supported borrowing from the BC Lottery Corporation for gaming equipment and gaming management software, the debt of post-secondary institutions' commercial subsidiaries, and lease liabilities related to right-of-use assets are also included in this debt category.

Total debt was lower by \$16.0 billion at year-end compared to the *Budget 2022* forecast (see Chart 2.8).

Chart 2.8 Change in Ending Debt Level from *Budget 2022*



This variance consists of:

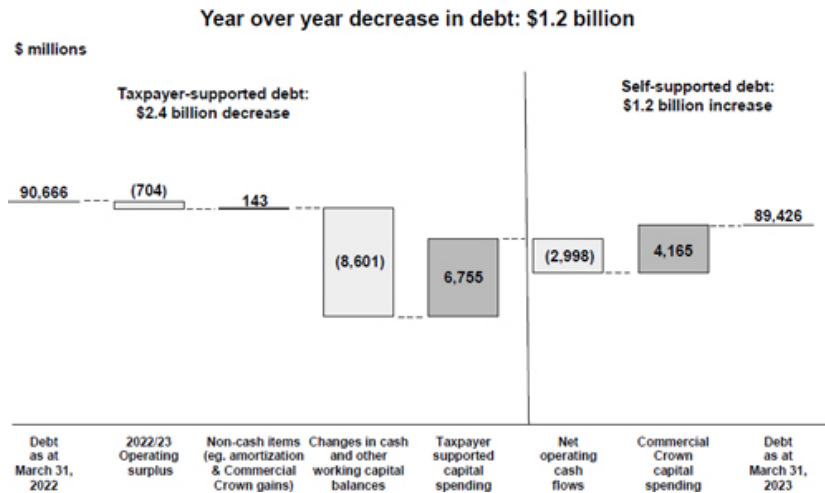
- \$13.5 billion lower taxpayer-supported debt, primarily due to improved operating results of \$6.2 billion (excluding the forecast allowance), \$2.5 billion lower net capital spending, and changes in other working capital balances and external funding of \$10.4 billion, offset by higher cash balances of \$5.6 billion;
- \$1.5 billion decrease in self-supported debt due to lower operating cash flows and lower capital spending; and
- \$1.0 billion forecast allowance.

Surplus/Deficit Versus Change In Debt

For the 2022/23 fiscal year, government posted a surplus of \$704 million, which included net non-cash items of \$143 million (primarily amortization and an adjustment for commercial Crown corporations net income and dividends). Working capital balances increased by \$8.6 billion, including higher cash balance and higher account payable and accrued liabilities at year end. Taxpayer-supported capital spending was \$6.7 billion. As a result, taxpayer-supported debt decreased by \$2.4 billion during the fiscal year.

The \$1.2 billion increase in self-supported debt primarily reflects \$4.2 billion of capital spending mainly by BC Hydro and BCLC, offset by almost \$3.0 billion in net operating cash flows.

Chart 2.9 Reconciliation of Surplus/Deficit to Change In Debt



Debt Indicators

Table 2.9 provides a summary of financial indicators depicting the Province's debt position, recent borrowing trends and related interest cost burden.

Further details on provincial debt are provided in Appendix Tables A2.10 to A2.12.

Table 2.9 Key Debt Indicators¹

	<i>Budget 2022</i>	Actual 2022/23	Actual 2021/22
Debt to revenue (per cent)			
Total provincial	124.5	90.6	104.3
Taxpayer-supported	110.9	74.3	90.8
Debt per capita (\$) ²			
Total provincial	19,834	16,813	17,428
Taxpayer-supported	13,823	11,268	11,983
Debt to GDP (per cent) ³			
Total provincial	28.7	23.0	25.9
Taxpayer-supported	20.0	15.4	17.8
Interest bite (cents per dollar of revenue) ⁴			
Total provincial	3.5	3.2	3.3
Taxpayer-supported	3.0	2.5	2.8
Interest costs (\$ millions)			
Total provincial	2,967	3,114	2,848
Taxpayer-supported	2,012	2,030	1,896
Interest rate (per cent) ⁵			
Taxpayer-supported	3.0	3.3	3.1
Revenue Factor for Key Indicators (\$ millions)			
Total provincial ⁶	84,672	98,655	86,903
Taxpayer-supported ⁷	66,226	80,647	68,658
Total debt (\$ millions)			
Total provincial	105,431	89,426	90,666
Taxpayer-supported ⁸	73,475	59,934	62,341
Provincial GDP (\$ millions) ⁹	367,966	389,129	350,598
Population (thousands at July 1) ¹⁰	5,316	5,319	5,202

1 Figures for prior year have been restated to conform with the presentation used for 2022/23 and to include the effects of changes in underlying data and statistics.

2 The ratio of debt to population (e.g. debt at March 31, 2023 divided by population at July 1, 2022).

3 The ratio of debt outstanding at fiscal year end to provincial nominal gross domestic product (GDP) for the calendar year ending in the fiscal year (e.g. debt at March 31, 2023 divided by 2022 GDP).

4 The ratio of interest costs (less sinking fund interest) to revenue. Figures include capitalized interest expense in order to provide a more comparable measure to outstanding debt.

5 Weighted average of all outstanding debt issues.

6 Includes revenue less earnings related to enterprises (sinking fund earnings, loan interest and net earnings), plus revenue of all enterprises.

7 Excludes revenues of commercial Crown corporations, but includes dividends paid to the Consolidated Revenue Fund.

8 Excludes debt of commercial Crown corporations.

9 Nominal GDP for the calendar year ending in the fiscal year (e.g. GDP for 2022 is used for the fiscal year ended March 31, 2023). As nominal GDP for the calendar year ending in 2022 is not available, the 2022 GDP projected in the February 2023 budget has been used for the fiscal year ended March 31, 2023 for demonstration purposes.

10 Population at July 1st within the fiscal year (e.g. population at July 1, 2022 is used for the fiscal year ended March 31, 2023).

Credit Rating

A credit rating is an evaluation of the credit risk of a prospective borrower, predicting their ability to pay interest and to repay the debt principal. It impacts the borrower's debt servicing costs and the investor's rate of return since an investor will demand a higher interest rate on a higher-risk, lower-rated security. Table 2.10 provides an interprovincial comparison of credit ratings.

As of July 2023, B.C. has a Aaa rating from Moody's, AA rating from Standard & Poor's, and AA (High) rating from DBRS.

Table 2.10 Interprovincial Comparison of Credit Ratings, July 2023

Province	Rating Agency ¹		
	Moody's Investors Service	Standard & Poor's	DBRS
British Columbia	Aaa	AA	AA(High)
Alberta	Aa2	A+	AA (Low)
Saskatchewan	Aa1	AA	AA (Low)
Manitoba	Aa2	A+	A (High)
Ontario	Aa3	A+	AA (Low)
Quebec	Aa2	AA-	AA (Low)
New Brunswick	Aa2	A+	A (High)
Nova Scotia	Aa2	AA-	A (High)
Prince Edward Island	Aa2	A	A
Newfoundland/Labrador	A1	A	A (Low)

¹ The rating agencies assign letter ratings to borrowers. The major categories, in descending order of credit quality are: AAA/Aaa; AA/Aa; A; BBB/Baa; BB/Ba; and B. The "1", "2", "3", "high", "low", "+", and "-" modifiers show relative standing within the major categories. For example, AA+ exceeds AA and Aa2 exceeds Aa3.

Pension Plans

The province contributes to four defined benefit pension plans (Public Service, Municipal, Teachers' and College) for many of its employees. These pension plans are managed under joint trusteeship arrangements with the plan members. Under joint trusteeship, the provincial government has no formal claim on plan surpluses or assets; however, government is responsible for 50 per cent of any unfunded liabilities in the Public Service, Teachers' and College plans, and 35 per cent of any unfunded liability in the Municipal plan since the province's interest in that plan is only 70 per cent.

As a result, government's balance sheet only includes its share of any unfunded pension liabilities incurred by the four pension plans under the joint trusteeship arrangements, as well as the entire liability for the MLA Superannuation Account, which is not part of a joint trusteeship arrangement. As at March 31, 2023, all pension plans under joint trusteeship were fully funded.

In the event that a plan is determined to be in a deficit position, the pension boards, by agreement, are required to address the deficit through contribution adjustments or other measures. As a result, it is expected that any unfunded pension liability in the future would be short-term in nature.

The pension valuations do not include future indexing of pensions, as this is a non-guaranteed supplemental benefit to the plans that is determined by the amount of available assets in separate inflation accounts. The estimated financial positions of each plan (based on extrapolations of the most recent actuarial valuations) as at March 31, 2023 are shown in Table 2.11.

Table 2.11 Pension Plan Balances

(\$ millions)	Pension Plan					Total	
	Public Service	Municipal	Teachers	College	Other ¹	2022/23	2021/22
Accrued benefit obligation	(24,616)	(35,281)	(24,429)	(4,955)	(781)	(90,062)	(85,307)
Pension fund assets	28,451	42,444	27,871	5,478	879	105,123	97,937
Subtotal	3,835	7,163	3,442	523	98	15,061	12,630
Unamortized actuarial (gain) loss	(827)	(3,594)	(2,455)	(168)	46	(6,998)	(5,780)
Accrued net asset (obligation)	3,008	3,569	987	355	144	8,063	6,850

¹ Represents other defined benefit plans, outside of the four main pension plans, which are funded by entities within the government reporting entity. Includes Simon Fraser University's Academic Pension Plan and Administrative/Union Pension Plan, the University of Victoria's pension plan for employees other than faculty and professional staff, and the province's 14.67% interest in the Canadian Blood Services pension plan.

Actuarial valuations are performed on the pension plans every three years with the resulting reports released nine months after the valuation date. The pension plans and the dates of their last actuarial valuation are:

- Public Service Pension Plan, March 31, 2020;
- Municipal Pension Plan, December 31, 2021;
- Teachers' Pension Plan, December 31, 2020; and
- College Pension Plan, August 31, 2021.

Key actuarial assumptions used for valuation purposes include a long-term annual rate of return on fund assets (currently 6.00 per cent for the Public Service Pension Plan, College Pension Plan and the Municipal Pension Plan and 5.75 per cent for the Teachers' Pension Plan) and the rate of annual salary increases (currently at 3.25 per cent).

The pension plans are administered by the BC Pension Corporation in accordance with direction received from the various pension boards. The audited financial statements of each pension plan, along with full descriptions, benefit formulas, inflation assumptions and funding policies may be found on the corporation's website at www.pensionsbc.ca.

Contractual Rights

Contractual rights represent the annual nominal future cash receipts for multi-year contracts. As at March 31, 2023, taxpayer-supported entities have \$15.5 billion in contractual rights, and self-supported Crown corporations and subsidiaries have \$6.1 billion in contractual rights, for a total of \$21.6 billion in contract receipts over the future years, depending on the terms of the contract.

Contractual rights represent future receipts where the projected revenue has been quantified in an agreement. They are not off-balance sheet assets, nor are they deferred revenues.

Contractual Obligations

Contractual obligations represent the annual nominal future cash payments for multi-year contracts for the delivery of services and construction of assets — except in the case of P3 contracts, where the obligations related to construction of assets are recognized as liabilities as the assets are constructed.

As at March 31, 2023, taxpayer-supported entities have incurred \$47.3 billion in contractual obligations, and self-supported Crown corporations and subsidiaries have incurred \$53.9 billion in contractual obligations, for a total of \$101.2 billion in contract payments that will be made over the future years, depending on the terms of the contract.

Contractual obligations represent ongoing program costs where the projected expense has been quantified in an agreement. They are not off-balance sheet debt, nor are they unfunded costs. Rather, these annual costs have been incorporated into the overall program budgets of the contracting ministries and other entities similar to other future-oriented government program costs such as legislated entitlements and capital asset amortization. In the case of self-supported Crown corporations and subsidiaries, the payments will be made from future revenue streams.

The 2022/23 *Public Accounts* Contractual Obligations schedule presents a detailed listing of obligations by function. Taxpayer-supported contractual obligations can also be grouped into eight categories (see Table 2.12) as follows:

- Coastal ferry services agreement – annual operating subsidy provided by the Ministry of Transportation and Infrastructure to BC Ferry Services Inc. in support of its smaller routes.
- Capital construction and maintenance P3s – reflect the annual service payments that will be made to maintain the asset and retire the liabilities.
- Provincial policing contracts – annual operating cost of the policing contract with the RCMP (aside from major cities such as Vancouver, which have their own police forces, policing in British Columbia is provided by the RCMP under contract).
- Housing subsidy agreements – annual operating cost of the subsidy agreements between BC Housing Management Commission and cooperative subsidized housing associations.
- Program delivery agreements – annual operating cost of agreements with third-party entities that provide services to the public on behalf of government, such as care homes. Some agreements are for one year only.
- Operating and maintenance agreements – annual operating cost of agreements with third-party entities that operate and maintain government infrastructure on behalf of government. A majority of these agreements relate to health sector facilities.
- Service delivery agreements – annual operating cost of agreements with third-party entities that provide services directly to government, such as the Telecommunications Service Master Agreement with Telus.
- Capital and economic development agreements – annual cost of agreements to build infrastructure, such as school district, universities, and British Columbia Transportation Financing Authority’s commitments for future projects.

Table 2.12 Taxpayer-Supported Contractual Obligations

(\$ millions)	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29+	Total
Coastal ferry services agreement	245	245	245	245	245	8,573	9,798
Capital construction and maintenance P3s	1,004	670	452	224	182	3,032	5,564
Provincial policing contracts	504	504	504	504	504	2,016	4,536
Housing subsidy agreements	370	291	239	180	152	3,583	4,815
Program delivery agreements	2,281	399	352	311	274	1,539	5,156
Operating and maintenance agreements	845	760	386	312	247	813	3,363
Service delivery agreements	963	874	871	866	883	2,123	6,580
Capital and economic development agreements	3,461	2,133	992	348	155	403	7,492
	<u>9,673</u>	<u>5,876</u>	<u>4,041</u>	<u>2,990</u>	<u>2,642</u>	<u>22,082</u>	<u>47,304</u>

Almost all (99 per cent or \$53.4 billion) of the contractual obligations for self-supported Crown corporations and subsidiaries are for BC Hydro power purchase agreements with independent power producers (IPPs). This ongoing cost of energy is factored into BC Hydro's financial statement projections in the fiscal plan, although any contractual increases to the tariffs paid to the IPPs will have to be recovered from future electricity rate increases.

The remaining contractual obligations for self-supported Crown corporations and subsidiaries relate to maintenance and service agreements, whose costs also are factored into government fiscal plan projections.

2022/23 Public Accounts Audit Qualification

The Audit Opinion on the 2022/23 *Public Accounts* includes three qualifications, which continue from the prior year.

Deferral of Revenues

The Auditor General recommends reporting restricted contributions as revenue in the period the transfers are received, unless the transfer establishes a financial liability on the part of the recipient. The government has maintained its longstanding recognition of deferring restricted contributions and recognizing revenue in the same period that programs and services are provided to the public. The impact of the recommendation in the current year would be to increase revenue and surplus by \$6.97 billion and decrease liabilities by \$6.97 billion.

Incomplete Contractual Obligations Disclosure

Contractual obligations that commit Government to make certain expenditures, for a considerable period into the future, are required to be disclosed in the financial statements. In the Auditor General's opinion, the summary financial statements do not provide the required disclosures in relation to certain contracts, such as contracts below the \$50 million threshold as well as larger contracts such as the obligation to the BC First Nations Gaming Revenue Sharing Limited Partnership. The Auditor General's recommendation would increase the disclosure of contractual obligations for future years.

BC First Nations Gaming Revenue Sharing Agreement Accounting Treatment

Section 14.3 of the *Gaming Control Act (B.C.)*, conveys the right to 7 per cent of the net income of the British Columbia Lottery Corporation (BCLC) to the BC First Nations Gaming Revenue Sharing Limited Partnership (Partnership) each year for 23 years commencing in 2022. Government acts as an intermediary in the arrangement and has no discretion over the funds. The Auditor General recommends that this arrangement should be accounted for as revenue of the Government and a subsequent grant to First Nations. The effect of the Auditor General's recommendation would be an increase to both revenues and expenses on the statement of operations in the current year by \$114 million. Additionally, an estimate of future transfers would be disclosed in Note 28 – Contingent Liabilities and Contractual Obligations, instead of the more comprehensive disclosure in Note 39 – Dedicated Revenue.

Government's summary financial statements have accounted for this transaction in accordance with generally accepted accounting principles as an administrative flow through where neither the revenues or expenses have been reflected on the income statement. These revenues belong to the Nations by virtue of the *Gaming Control Act (B.C.)* and Government receives none of the economic benefits associated with the revenue. It would be inconsistent with generally accepted accounting principles to include these amounts as government revenues and expenses.

The full text of the Auditor General's opinion and the comments of the Comptroller General of British Columbia can be found in the 2022/23 *Public Accounts*.

PART 3

SUPPLEMENTARY INFORMATION

- General Description of the Province
- Constitutional Framework
- Provincial Government
- Annual Financial Cycle
- Government's Financial Statements
- Provincial Taxes

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General Description of the Province

British Columbia is located on Canada's Pacific coast, and has a land and freshwater area of 95 million hectares. It is Canada's third largest province and comprises 9.5 per cent of the country's total land area.

Geography

The province is nearly four times the size of Great Britain, 2.5 times larger than Japan and larger than any American state except Alaska. B.C.'s 7,022-kilometre coastline supports a large shipping industry through ice-free, deep-water ports. The province has about 8.5 million hectares of grazing land, 1.8 million hectares of lakes and rivers, and 950,000 hectares of agricultural land that is capable of supporting a wide range of crops.

Physiography

B.C. is characterized by mountainous topography, but also has substantial areas of lowland and plateau country. The province has four basic regions, a northwesterly trending mountain system on the coast, a similar mountain system on the east, and an extensive area of plateau country between the two. The northeastern corner of the province is lowland, a segment of the continent's Great Plains.

The western system of mountains averages about 300 kilometres in width and extends along the entire B.C. coast and the Alaska panhandle. The Coast Mountains contain some of the tallest peaks in the province. The western system includes the Insular Mountains that form the basis of Vancouver Island and Haida Gwaii (previously known as the Queen Charlotte Islands). These islands help to shelter the waters off the mainland coast of B.C., which form an important transportation route for people and products.

The Interior of the province is a plateau of rolling forest and grassland, 600 to 1,200 metres in average elevation, incised deeply by rivers. North of Prince George the interior becomes mountainous, but plateau terrain returns just south of the Yukon boundary in the area drained by the Liard River. The southern Interior's water system is dominated by the Fraser River, which has a drainage area covering about one-quarter of the province. The Rocky Mountains, in the eastern mountain system, rise abruptly on the southern B.C.-Alberta boundary and are cut by passes that provide dramatic overland transportation routes into the province. The Rocky Mountain Trench lies immediately to the west of the Rockies. This extensive valley, the longest in North America, is a geological fault zone separating different earth plates. It is the source of many of B.C.'s major rivers, including the Peace, Columbia and Fraser.

Climate and Vegetation

Coastal B.C. has abundant rainfall and mild temperatures associated with a maritime climate. The Pacific coast has an average annual rainfall of between 155 and 440 centimetres, while the more sheltered coasts of eastern Vancouver Island and the mainland along the Strait of Georgia average between 65 and 150 centimetres. Canada's longest frost-free periods of over 180 days per year are enjoyed along the edges of the coastal zone and inland along the Fraser River valley. Temperatures fall quickly up the steep slopes of the Coast Mountains. The predominant trees in this coastal region are the western hemlock, western red cedar and balsam in the wetter parts, and Douglas fir and grand fir in the drier areas.

B.C.'s Interior region has a mainly continental type of climate, although not as severe as that of the Canadian Prairies. Considerable variation in climate occurs, especially in winter and across the Coast Mountains, as mild Pacific storms bring relief from cold spells. The southern Interior has the driest and warmest climate of the province. In the valleys, annual precipitation ranges from less than 30 centimetres to 50 centimetres, while daily temperatures can average over 20°C in July and just under freezing in January. The climate becomes more extreme further north and precipitation increases. The frost-free period in the North is short and variable. Spruce and lodgepole pine are the dominant trees of commercial value in the Interior.

The northeast region of the province is an extension of the western prairie region of Alberta. It has a continental climate that is more extreme than that of the northern interior region. However, it does have long hot summers and a frost-free period long enough to grow grain, forage and other crops.

Population

B.C. is the third largest province in terms of population, which was estimated at 5.319 million people, accounting for 13.7 per cent of Canada's population on July 1, 2022. B.C.'s population grew at an average annual rate of 1.5 per cent between 2012 and 2022, higher than the growth rate of the overall Canadian population for the same period.

The Vancouver census metropolitan area, a major Canadian shipping, manufacturing and services centre, had the largest urban population in B.C. with 2.843 million people in 2022. Meanwhile, the census metropolitan area for Victoria, the provincial capital, had a population of 423 thousand people in 2022.

Constitutional Framework

The structure of the British Columbia government is based on British parliamentary tradition and precedent. Prior to 1866, B.C. was composed of two British-controlled colonies — the Colony of Vancouver Island was established in 1849, and the Colony of British Columbia was established in 1858 on the mainland. In the *Union Proclamation* of 1866, the two colonies were joined to form the single united Crown Colony of British Columbia. On July 20, 1871, B.C. entered into Confederation with Canada. Although the Colony of Vancouver Island had a parliamentary form of government as far back as 1856, the first fully elected government was not instituted in B.C. until the autumn after Confederation with Canada. Responsible government was achieved in late 1872, when the lieutenant governor acquiesced to an executive council that was responsible to the legislative assembly.

Upon entering Confederation, B.C. came under the authority of the *British North America Act, 1867 (BNA Act)*, a statute of the British parliament. Until 1982, the BNA Act defined the major national institutions and established the division of authority between the federal and provincial governments. In 1982, the British Parliament ended its legal right to legislate for Canada with the passage of the Canada Act, 1982 and its companion legislation, the *Constitution Act, 1982*, which also includes the Canadian Charter of Rights and Freedoms. The BNA Act was renamed the *Constitution Act, 1867*, which continues to be the foundation for the division of legislative powers between Canada, as a federal state, and provincial governments.

Indigenous Peoples

British Columbia is home to more than 270,000 Indigenous¹ people, representing one in six Indigenous people in Canada. There are 203 First Nations in B.C. (of 600 in Canada), and they represent 34 distinct languages. At more than 89,000, the Métis population in B.C. is the fourth-largest in Canada.

Each Indigenous community has a unique history and experience and different ways of life, social organization, governance systems, and approaches to economic development.

As the original occupants of the land, Indigenous Peoples have a special constitutional relationship with the Crown. This relationship, including existing Aboriginal² and treaty rights, is recognized and affirmed in section 35 of the *Constitution Act, 1982*, and includes recognizing that Indigenous self-government is part of Canada's evolving system of cooperative federalism and distinct orders of government.

Provincial Government

B.C.'s government is modeled after the British system. Functionally there are three main branches: the legislature, the executive and the judiciary.

Legislature

Legislative powers in British Columbia are exercised by a single legislative chamber, which is elected for a term of four years. B.C. was the first jurisdiction in Canada to establish set general election dates, in 2001. Provincial general elections are scheduled to take place on the third Saturday in October every four years.

The legislature consists of the lieutenant governor and 87 elected members of the legislative assembly. The legislative assembly represents the people of B.C. in the conduct of the province's affairs. The assembly is required by law to meet at least once a year with a normal session lasting several months. However, special sessions can last just a few days or many months, depending on the nature of the government's business.

The legislature operates on a fixed schedule — the second Tuesday in February each year is usually reserved for the Throne Speech and the fourth Tuesday in February each year is reserved for the Budget Speech.

Executive

The executive is composed of the lieutenant governor and the executive council. The executive council, or cabinet, is headed by the premier and is composed of selected members of the ruling party. The lieutenant governor, the King's representative in British Columbia, holds a largely ceremonial place in the modern provincial government. By constitutional custom, the lieutenant governor is appointed by the Governor General of Canada for a term usually lasting five years.

Following a general election, the lieutenant governor calls upon the leader of the political party with the majority of elected members to serve as premier and to form the provincial government.

¹ The term 'Indigenous' includes all people of Indigenous ancestry, including First Nations (status and non-status), Métis and Inuit.

² The federal *Constitution Act* recognizes the Aboriginal peoples of Canada as the Indian, Inuit and Métis peoples of Canada; however, First Nations is the generally preferred term for Indian peoples of Canada, and Indigenous is preferred to Aboriginal.

Where the general election does not result in a single political party having the majority of elected members, a minority government may be formed by the party that is able to form a coalition or enter into a confidence or supply agreement with another party, to ensure it has the majority required for all confidence motions and budgetary legislation.

The lieutenant governor, on the advice of the premier, appoints members of the executive council and is guided by the executive council's advice as long as it holds the confidence of the legislative assembly.

The lieutenant governor, on recommendation of the premier, convenes, prorogues and dissolves the legislative assembly and gives Royal Assent to all measures and bills passed by the assembly before they become law.

Ministers are the executives responsible for government ministries, and are usually members of cabinet. Cabinet determines government policy and is held responsible by the legislative assembly for the operation of the provincial government.

Deputy ministers are the senior civil servants in their ministries and have responsibility for all operational matters including budget, human resources and program development. Deputy ministers are required to manage a complex set of multiple accountabilities which arise out of various powers, authorities and responsibilities attached to the position. The deputy minister is the principal source of support for a minister in fulfilling minister's collective and individual responsibilities and accountability. In providing this support, the deputy minister is responsible for:

- sound public service advice on policy development and implementation, both within the minister's portfolio and with respect to the government's overall policy and legislative agenda;
- effective ministry management, as well as advice on management of the minister's entire portfolio; and
- fulfillment of authorities that have been assigned to the deputy minister or other officials either by the minister directly or by virtue of legislation.

Judiciary

The judiciary performs functions that are central to the orderly operation of society. Judges hear and give judgment in criminal prosecutions and in actions arising from disputes between private citizens or between the government and private citizens. Judges apply both judge-made law, known as "common law," and laws made by the Parliament of Canada and provincial legislatures. The judiciary is sometimes called on to determine whether laws passed by governments conform to the values expressed in the Canadian Charter of Rights and Freedoms.

B.C.'s judicial system is made up of the Provincial Court of British Columbia, the Supreme Court of British Columbia and the Court of Appeal of British Columbia. The Provincial Court hears cases that fall into five main categories: criminal cases, family cases, youth court cases, small claims, and traffic & bylaw cases. The provincial government appoints Provincial Court judges, and the federal government appoints Court of Appeal and Supreme Court judges.

The federal judicial system includes the Tax Court of Canada, the Federal Court of Canada (Appeals division and Trial division) and the Supreme Court of Canada. The Federal Court of Canada hears cases in limited areas of exclusively federal jurisdiction — for example, reviewing decisions made by federal tribunals such as the Canada Labour Relations Board. The Supreme Court of Canada is the court of final resort and hears selected appeals from the Federal Court of Appeal and provincial Courts of Appeal.

Provincial Government Jurisdiction

Under Canada’s constitutional framework, B.C. has ownership and jurisdiction over natural resources and is responsible for education, health and social services, municipal institutions, property and civil rights, the administration of justice and other matters of purely provincial or local concern.

Annual Financial Cycle

British Columbia’s *Budget Transparency and Accountability Act* (BTAA) outlines the Province’s reporting requirements during the financial cycle and imposes specific reporting deadlines or release dates for these publications. In particular, fixed dates for presentation of the budget, as well as dates for quarterly and annual reports, are set by law.

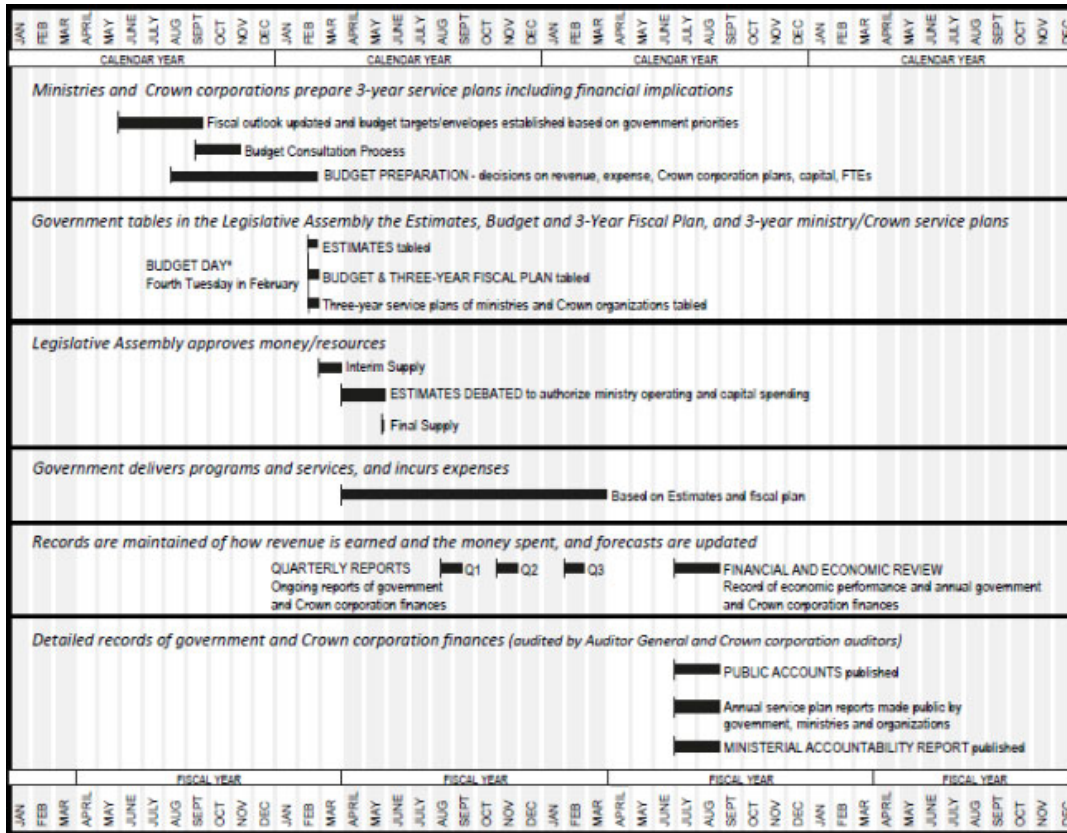
Under the BTAA, the provincial government focuses its budgeting and reporting on a summary accounts basis. The BTAA requirements include reporting on the advice of the Economic Forecast Council; presentation of the annual *Estimates, Budget and Fiscal Plan, Quarterly Reports*, and *Public Accounts*; publication of *Quarterly Reports* with revised forecasts; annual three-year service plans and service plan reports for each ministry and government organization; and an annual three-year government strategic plan and report.

Chart 3.1 summarizes the annual financial process of the Province. This process consists of four main stages.

Planning and Budget Preparation

Treasury Board, a committee of the executive council, reviews longer-term estimates of revenue, expense, capital and debt, and establishes a preliminary fiscal plan within the framework of the government’s overall strategic plan. Ministries, service delivery agencies, and Crown corporations prepare three-year service plans, including performance measures and targets, and operating and capital budgets, for review by government. Treasury Board makes recommendations to Cabinet on budget allocations for ministries and agencies, and assesses commercial Crown corporation net income benchmarks, within the context of the fiscal plan. Included as inputs into this process are a consultation paper published by September 15th that invites public comment on issues for consideration as government develops its fiscal and service plans, and provincewide public hearings held by a committee of the legislature. A report outlining the results of the budget consultation process is made public by November 15th of each year.

Chart 3.1 Financial Planning and Reporting Cycle Overview



*In an election year the budget day may be delayed, in accordance with the *Budget Transparency and Accountability Act*.

Implementation and Reporting

The government’s revenue, expense and capital plans for the next three fiscal years, as well as other information on the government’s finances, are presented to the legislative assembly by the Minister of Finance in a budget document called the *Budget and Fiscal Plan*. The financial plan for the next fiscal year is also included in the document called the *Estimates*, which describes the individual appropriations to be voted on by the legislative assembly. Government’s strategic plan, service plans, and a report on major capital projects (those where government contribution exceeds \$50 million) must also be tabled in the legislature. Throughout the year, the authorized funding as specified in the *Estimates* and ministry service plans is spent on programs and services. Crown corporations follow approved service plans under the direction of their own boards of directors. *Quarterly Reports*, including full-year forecasts, are published by legislated dates, thereby providing regular updates to the public on the government’s finances.

Evaluation

At the end of the fiscal year, the *Public Accounts* are prepared by the Office of the Comptroller General and examined by the Auditor General to ensure that the financial statements fairly present the government's financial position. The *Public Accounts* are augmented by the *British Columbia Financial and Economic Review*, which provides an overview of annual and historical financial and economic results. In addition, annual service plan reports are made public that compare actual results with ministry and Crown corporation performance targets.

Accountability

The *Public Accounts* are presented to the legislative assembly and are reviewed by two committees of the legislative assembly (the Select Standing Committee on Public Accounts, and the Select Standing Committee on Crown Corporations). At the same time, the *Ministerial Accountability Report* is published detailing the individual and collective financial performance of cabinet ministers, and the performance achieved by the Ministers of State on non-financial targets.

Government's Financial Statements**Government Reporting Entity**

The provincial government conducts its activities through:

- ministries;
- the SUCH sector (school districts, universities, colleges, institutes, and health organizations);
- other taxpayer-supported service delivery agencies; and
- commercial Crown corporations.

The accounts relating to the ministries and other direct activities of government are contained in the Consolidated Revenue Fund (CRF), whose financial results are reported as a separate entity in the Public Accounts. The CRF comprises all money over which the legislature has direct power of appropriation. The operations of public sector organizations, including the SUCH sector entities, service delivery agencies, and Crown corporations, are recorded in their own financial statements, which are subject to audit by the Auditor General or by private-sector auditors.

The relationships between the legislature and government's public sector organizations are guided by legislation, governance agreements, and/or mandate letters to ensure effective oversight, alignment with government's priorities, and preservation of public confidence in the management of public-sector programs and services for the citizens of British Columbia.

The Province consolidates the financial results of all these entities into a single set of financial statements, published annually in the *Public Accounts*.

Compliance with GAAP

British Columbia's *Budget Transparency and Accountability Act* (BTAA) requires government's financial statements to conform to generally accepted accounting principles (GAAP) for senior governments in Canada. In practice this means compliance with the Public Sector Accounting Standards (PSAS), which are set by the Canadian Public Sector Accounting Board (PSAB).

Under PSAS, service delivery agencies are consolidated with the CRF on a line-by-line basis. Commercial Crown corporations³ (government business enterprises) and commercial subsidiaries owned by service delivery agencies are consolidated on a modified equity basis — i.e. their net income is reported as revenue of the Province and their retained earnings as an investment.

Where the accounting policies of service delivery agencies differ from those used by the central government, the service delivery agency financial statements are adjusted to conform to government's accounting policies. No adjustments for accounting differences are made for commercial Crown corporations, which prepare their statements in accordance with International Financial Reporting Standards (IFRS).

The BTAA authorizes Treasury Board to adopt different standards than those promoted by PSAB in order to ensure that British Columbia's financial reporting reflects the policy framework within which the Crown corporations and agencies operate. Any alternative standard adopted by Treasury Board must come from other areas of Canadian GAAP or from a recognized standard setting body in another jurisdiction (e.g. the US Financial Accounting Standards Board). Treasury Board has issued one such regulation, mandating BC Hydro to follow the US FASB standard for rate-regulated accounting.

The full text of government's significant accounting policies can be found in Note 1 to the Consolidated Summary Financial Statements in the 2022/23 *Public Accounts*.

³ Crown corporations are considered commercial if the majority of their operating revenue comes from non-government sources, and their operating revenue is sufficient to cover operating and debt service costs without the need for government grants or other forms of assistance. Otherwise they are included with the service delivery agencies.

Table 3.1 Provincial Taxes (as of July 2023)

Type and Statute Reference	Tax Base	Tax Rate	Characteristics and Exemptions
Income — <i>Income Tax Act</i>	Taxable Income: <ul style="list-style-type: none"> • Corporate • Personal 	General rate: 12% Small business rate: 2%. Tax rates of 5.06%, 7.7%, 10.5%, 12.29%, 14.7%, 16.8% and 20.5% corresponding to the following tax brackets: up to \$45,654, \$45,654.01 to \$91,310, \$91,310.01 to \$104,835, \$104,835.01 to \$127,299, \$127,299.01 to \$172,602, \$172,602.01 to \$240,716, and over \$240,716.	The Canada Revenue Agency administers B.C.'s personal and corporate income taxes under the Tax Collection Agreement between the province and the federal government. Corporate tax credits include the scientific research and experimental development tax credit, the book publishing tax credit, the interactive digital media tax credit and the film tax credits. In addition, the clean buildings tax credit, farmers' food donation tax credit, mining exploration tax credit, logging tax credit, training tax credits and venture capital tax credits are available to both individuals and corporations. B.C. provides a set of non-refundable credits similar to most federal non-refundable credits. Refundable personal tax credits include the B.C. renter's tax credit, B.C. climate action tax credit, B.C. sales tax credit, the BC Family Benefit (previously known as the BC Child Opportunity Benefit) and other credits available to individuals who meet specific eligibility criteria.
Payroll — <i>Employer Health Tax Act</i>	B.C. remuneration	1.95%. Rate is reduced if annual B.C. remuneration is between \$500,000 and \$1.5 million. Tax does not apply if B.C. remuneration is less than \$500,000.	Employers with annual B.C. remuneration less than \$500,000 are exempt from the tax. The exemption amount is shared by all associated employers. The tax rate is phased in for employers with annual B.C. remuneration between \$500,000 and \$1.5 million. Special rules exist for charities and non-profits. Charities and non-profits receive an exemption of \$1.5 million per qualifying location, and charities with B.C. remuneration between \$1.5 million and \$4.5 million per qualifying location pay a reduced rate. Employers associated with charities do not have to share the exemption with the charity.
Real property transfers — <i>Property Transfer Tax Act</i>	Fair market value of property based on the percentage of interest in the property.	1% on the first \$200,000 of the fair market value transferred, 2% of the fair market value that exceeds \$200,000 but does not exceed \$2,000,000 and 3% of the fair market value that exceeds \$2,000,000. For residential class property and farm land associated with a farmers' dwelling, the 3% rate becomes 5% for the fair market value above \$3,000,000. Foreign nationals and foreign corporations purchasing residential class property in certain areas pay an additional 20% of fair market value. These areas are Metro Vancouver Regional District except Tsawwassen Lands, and Capital, Central Okanagan, Fraser Valley and Nanaimo Regional Districts.	Eligible first time home-buyers are fully exempt from tax on transfers of eligible properties up to \$500,000. Similarly, eligible purchasers of newly constructed homes are fully exempt if the fair market value is \$750,000 or less. Other exemptions include: some intergenerational transfers or transfers to a spouse of principal residences, recreational residences and family farms; transfers of property between spouses pursuant to written separation agreements or court orders; transfers of property to local governments, registered charities and educational institutions; transfers of property to veterans under the <i>Veterans' Land Act</i> (Canada); transfers of land to be protected, preserved, conserved or kept in a natural state; and transfers of leases 30 years or less in duration. A number of technical exemptions are also provided. Foreign nationals who become citizens or permanent residents of Canada within a year of purchase may be eligible for a refund of the additional 20% tax. Foreign nationals who are in the Provincial Nominee Program process for immigration to Canada may be exempt from the additional 20% tax.

Table 3.1 Provincial Taxes (as of July 2023) – Continued

Type and Statute Reference	Tax Base	Tax Rate	Characteristics and Exemptions
Retail sales tax — <i>Provincial Sales Tax Act</i>	Purchase and lease of tangible personal property. Purchase of software, accommodation, related services, telecommunication services and legal services. Gifts of vehicles, boats and aircraft.	General rate: 7% Liquor: 10% Vapour products: 20% Accommodation: 8% Vehicles: 7% to 20% Boats and aircraft: 7% or 12% Fossil fuel combustion systems: 12% Manufactured buildings: reduced rate of tax.	Paid by purchasers and lessees and primarily collected through businesses required to be registered under the Act. Major consumer exemptions include, but are not limited to: <ul style="list-style-type: none"> • food for human consumption (including prepared food, but not including soda beverages), • residential energy, • children’s clothing and footwear (child-sized clothing and adult-sized clothing for children under 15 years of age), • basic cable and residential land-line telephone services, and • vitamins, drugs and household medical aids. Major business exemptions include, but are not limited to: <ul style="list-style-type: none"> • goods acquired solely for re-sale or re-lease, • goods purchased to be incorporated into goods for sale or lease, • certain production machinery and equipment purchased by major industries (manufacturers, logging, mining, oil and gas) for qualifying activities at qualifying locations, and • electricity.
Tobacco — <i>Tobacco Tax Act</i>	By cigarette, heated tobacco product, cigar retail price, and weight on other tobacco products.	32.5 cents per cigarette, tobacco stick or heated tobacco product unit, and 65 cents per gram of loose tobacco; 90.5% of taxable price on cigars to a maximum tax of \$7 per cigar.	Tax is payable on tobacco by purchasers at the time of retail purchase. Tobacco is subject to a security scheme. Security is payable by wholesale dealers registered under the Act when tobacco is delivered to them.
Carbon dioxide equivalent emissions from combustion of fuels and combustibles — <i>Carbon Tax Act</i>	Purchase, use, or, in certain circumstances, transfer or importation of: <ul style="list-style-type: none"> • Aviation Fuel • Gasoline • Heavy Fuel Oil • Jet Fuel • Kerosene • Light Fuel Oil • Methanol (not produced from biomass) • Naphtha • Butane • Coke Oven Gas • Ethane • Propane • Natural Gas • Refinery Gas • High Heat Value Coal • Low Heat Value Coal • Coke • Petroleum Coke • Gas Liquids • Pentanes Plus Combustion (to produce heat or energy) of: <ul style="list-style-type: none"> • Peat • Combustible Waste 	Tax rates vary by type of fuel or combustible based on carbon dioxide equivalent emitted by each fuel or combustible. Tax rates are equivalent to \$65 per tonne of carbon dioxide equivalent.	Tax is payable on fuels by purchasers at the time of retail purchase. Fuels, other than natural gas, are subject to a security scheme similar to the security scheme under the <i>Motor Fuel Tax Act</i> . Security is payable by collectors registered under the Act when fuel is sold in British Columbia for the first time after manufacture or importation. Tax on the purchase of natural gas is collected and remitted at the retail level. Tax on use, transfer and import is self-assessed. Tax on the burning of combustibles is self-assessed. Exemptions include: <ul style="list-style-type: none"> • fuels which are exported for use outside of British Columbia, • fuel used for certain non-energy purposes, • fuel used for eligible inter-jurisdictional transportation, • coloured gasoline and coloured diesel purchased by farmers solely for listed farm purposes, and • minor exemptions similar to exemptions in other consumption tax acts for administrative and technical reasons.



Table 3.1 Provincial Taxes (as of July 2023) – Continued

Type and Statute Reference	Tax Base	Tax Rate	Characteristics and Exemptions
Motor fuel — <i>Motor Fuel Tax Act</i>	Purchase, use, or in certain circumstances, transfer or importation of fuels:		Tax generally applies to all fuels purchased for use, or used in internal combustion engines. Tax is payable on fuels by purchasers at the time of retail purchase. Most fuels are subject to a security scheme similar to the security scheme under the <i>Carbon Tax Act</i> . Security is payable by collectors registered under the Act when fuel is sold in British Columbia for the first time after manufacture or importation. The additional tax collected in the South Coast BC Transportation Service Region, on behalf of TransLink, helps fund regional transportation costs. The additional tax collected in the Victoria Regional Transit Service Area, on behalf of BC Transit, helps fund the public transit system.
	<ul style="list-style-type: none"> Clear gasoline 	<p>General rate: 14.5 cents per litre (includes 6.75 cents per litre collected on behalf of the BC Transportation Financing Authority).</p> <p>South Coast BC Transportation Service Region: 27 cents per litre (includes 6.75 cents per litre collected on behalf of the BC Transportation Financing Authority and 18.5 cents per litre collected on behalf of TransLink).</p> <p>Victoria Regional Transit Service Area: 20 cents per litre (includes 6.75 cents per litre collected on behalf of the BC Transportation Financing Authority and 5.5 cents per litre collected on behalf of BC Transit).</p>	
	<ul style="list-style-type: none"> Motive fuel 	<p>General rate: 15 cents per litre (includes 6.75 cents per litre collected on behalf of the BC Transportation Financing Authority).</p> <p>South Coast BC Transportation Service Region: 27.5 cents per litre (includes 6.75 cents per litre collected on behalf of the BC Transportation Financing Authority and 18.5 cents per litre collected on behalf of TransLink).</p> <p>Victoria Regional Transit Service Area: 20.5 cents per litre (includes 6.75 cents per litre collected on behalf of the BC Transportation Financing Authority and 5.5 cents per litre collected on behalf of BC Transit).</p>	Tax applies to diesel fuel but does not include alternative motor fuels or coloured fuels.
	<ul style="list-style-type: none"> Alternative motor fuels (natural gas, hydrogen and methanol (M85+)) 	Exempt.	Natural gas, when used as a motor fuel, is exempt from tax. Certain hydrogen is exempt from tax. Fuels comprised of at least 85% methanol are also exempt from tax.



Table 3.1 Provincial Taxes (as of July 2023) – Continued

Type and Statute Reference	Tax Base	Tax Rate	Characteristics and Exemptions
Motor fuel — <i>Motor Fuel Tax Act</i> (continued)	<ul style="list-style-type: none"> • Coloured fuel, marine diesel fuel • Locomotive fuel • Propane • Aviation fuel • Jet fuel • Natural gas used in stationary engines, other than listed below. • Natural gas used in pipeline compressors to transmit marketable gas. • Natural gas used in pipeline compressors to extract and transmit raw gas from wells to processing plants. • Natural gas used in compressors to re-inject sour gas into depleted wells. • Marine bunker fuel • Marine gas oil 	<p>3 cents per litre.</p> <p>3 cents per litre.</p> <p>2.7 cents per litre.</p> <p>2 cents per litre.</p> <p>2 cents per litre.</p> <p>1.1 cents per 810.32 litres.</p> <p>1.9 cents per 810.32 litres.</p> <p>Exempt.</p> <p>Exempt.</p> <p>Exempt.</p> <p>Exempt.</p>	<p>Coloured fuel may be used in all vehicles not licensed to operate on a highway and in specific industrial vehicles. Farmers are exempt from paying the tax when fuel is used solely for listed farm purposes. Farm trucks are allowed to use tax-exempt coloured fuel for farming purposes on a highway. Marine diesel fuel used in interjurisdictional cruise ships and ships prohibited from coasting trade under the <i>Coasting Trade Act</i> is exempt from tax.</p> <p>Tax applies to fuel specifically for use in locomotives.</p> <p>Propane tax applies to all uses of propane. There are exemptions for propane used as residential energy in a residential dwelling, for propane used by qualifying farmers solely for a farm purpose, and for small containers of propane.</p> <p>Aviation fuel tax applies to fuel produced specifically for use in a non-turbine aircraft engine.</p> <p>Jet fuel tax applies to fuel produced specifically for use in a turbine aircraft engine. Jet fuel used for international flights is exempt.</p> <p>Exemption applies to bunker fuel used as fuel in a ship.</p> <p>Exemption applies to marine gas oil when used in primary gas turbine engines to propel passenger and cargo vessels.</p>
Natural resources — <i>Logging Tax Act</i>	Net income from logging in B.C.	10% (fully recoverable against federal and provincial corporation and personal income tax).	Tax is calculated as net income from logging after deducting a processing allowance.
— <i>Mineral Land Tax Act</i>	Assessed value of freehold mineral land and production areas.	Undesignated mineral land — \$1.25 to \$4.94 per hectare. Designated production areas — \$4.94 per hectare.	Rates of tax set on sliding scale, dependent on size and designation of land. No tax is payable if the mineral land is less than 16.2 hectares, owned by a registered charity or if the administrator has classified the mineral lands as agricultural.
— <i>Mineral Tax Act</i>	<p>Cash flow from individual metal and coal mines (other than placer gold mines).</p> <p>Volume of production of limestone, dolomite, marble, shale, clay, volcanic ash, diatomaceous earth, sandstone, quartzite and dimension stone.</p> <p>Value of minerals sold by placer gold mines.</p>	<p>2% of net current proceeds (NCP). 13% of net revenue (NR).</p> <p>\$0.15 per tonne removed from all quarries operated.</p> <p>0.5% of value of minerals sold.</p>	<p>Tax calculated for each operator on a mine-by-mine basis. NCP tax paid on current operating cash flow until all current and capital costs, plus any investment allowance, are recovered. Then NR tax paid on cumulative cash flow. NCP tax creditable against NR tax.</p> <p>An operator may deduct 25,000 tonnes from the total number of tonnes removed from all quarries operated by that operator. However, the amount deducted from any one quarry by all operators of that quarry must not exceed 25,000 tonnes.</p>



Table 3.1 Provincial Taxes (as of July 2023) – Continued

Type and Statute Reference	Tax Base	Tax Rate	Characteristics and Exemptions																										
Insurance — <i>Insurance Premium Tax Act</i>	B.C. premiums.	4.4% for vehicle and property insurance, 2% for life, sickness, personal accident and loss of salary and wages insurance, 4% for other insurance and 7% for all contracts with unlicensed insurers.	Exemptions: fraternal benefit societies; mutual corporations with 50% of income from farm or 100% from religious, educational or charitable institutions; marine, except pleasure craft; approved medical or hospitalization plans; professional liability insurance from the Law Society of B.C.; liability insurance with the Real Estate Errors and Omissions Insurance Corporation; and assessments for the Real Estate Special Compensation Fund.																										
Real property — <i>Taxation (Rural Area) Act</i>	Assessed value of land and improvements in rural areas (outside municipalities). Assessment determined under the <i>Assessment Act</i> .	Rates are set annually expressed as \$/\$1000 of taxable assessed value. For residential properties the rates are set to increase average residential rural taxes by the rate of inflation. For non-residential property classes, the rates are set so that total non-residential rural tax revenues increase by inflation plus tax on new construction. <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Class</th> <th style="text-align: right;">Rate \$/\$1000</th> </tr> </thead> <tbody> <tr><td>1 residential:</td><td style="text-align: right;">0.34</td></tr> <tr><td>2 utilities:</td><td style="text-align: right;">3.75</td></tr> <tr><td>3 supportive housing:</td><td style="text-align: right;">0.10</td></tr> <tr><td>4 major industry:</td><td style="text-align: right;">7.49</td></tr> <tr><td>5 light industry:</td><td style="text-align: right;">2.49</td></tr> <tr><td>6 business and other:</td><td style="text-align: right;">2.49</td></tr> <tr><td>7 managed forest land:</td><td style="text-align: right;">0.47</td></tr> <tr><td>8 recreation/non-profit:</td><td style="text-align: right;">0.74</td></tr> <tr><td>9 farm land:</td><td style="text-align: right;">0.57</td></tr> </tbody> </table> In Peace River Regional District, tax rates are the same as above except <table style="width: 100%; border-collapse: collapse;"> <tbody> <tr><td>2 utilities:</td><td style="text-align: right;">4.07</td></tr> <tr><td>4 major industry:</td><td style="text-align: right;">7.81</td></tr> <tr><td>5 light industry:</td><td style="text-align: right;">2.81</td></tr> </tbody> </table>	Class	Rate \$/\$1000	1 residential:	0.34	2 utilities:	3.75	3 supportive housing:	0.10	4 major industry:	7.49	5 light industry:	2.49	6 business and other:	2.49	7 managed forest land:	0.47	8 recreation/non-profit:	0.74	9 farm land:	0.57	2 utilities:	4.07	4 major industry:	7.81	5 light industry:	2.81	Some exemptions apply under various statutes.
Class	Rate \$/\$1000																												
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Basic residential class school property tax — <i>School Act</i> section 119 Additional school tax on homes over \$3 million. — <i>School Act</i> section 120.1	Assessed value of class 1 residential land and improvements. Assessment determined under the <i>Assessment Act</i> . Assessed value of “dwelling property”.	Rates are set annually to increase average residential taxes by the rate of inflation. The rates vary by school district. For 2023, rates range from about \$0.71/\$1000 to \$4.04/\$1000. Tax is 0.2% on the value of the dwelling property between \$3,000,000 and \$4,000,000 and 0.4% on the value above \$4,000,000.	Basic rates are calculated using a formula to moderate effects of varying average assessments on school district taxes. Amendments to the <i>School Act</i> in 2002 allow the Minister of Finance to apply different tax rates within a school district. Tofino is the only municipality with a rate that differs from the rest of the school district. School districts may levy additional tax on residential class property if authorized by local referendum. None do. The Home Owner Grant Program and the Land Tax Deferral Program can reduce or postpone the tax liability for Canadian citizens and permanent residents of Canada who live in their own home as a principal residence. Dwelling property for the additional school tax is most residential class property where there is between one and three dwelling units. Properties with four or more units, such as apartment buildings, are not taxed. Vacant land in residential class is taxed unless it is in the Agricultural Land Reserve.																										

Table 3.1 Provincial Taxes (as of July 2023) – Continued

Type and Statute Reference	Tax Base	Tax Rate	Characteristics and Exemptions																		
Non-residential class school property tax — <i>School Act</i> section 119	Assessed value of non-residential land and improvements. Assessment determined under the <i>Assessment Act</i> .	Rates are set annually and expressed as \$/\$1000 of taxable assessed value. For 2023 the rates are: <table style="margin-left: 20px;"> <tr> <td>Class</td> <td>Rate \$/\$1000</td> </tr> <tr> <td>2 utilities:</td> <td>12.57</td> </tr> <tr> <td>3 supportive housing:</td> <td>0.10</td> </tr> <tr> <td>4 major industry:</td> <td>1.33</td> </tr> <tr> <td>5 light industry:</td> <td>3.33</td> </tr> <tr> <td>6 business and other:</td> <td>3.33</td> </tr> <tr> <td>7 managed forest land:</td> <td>1.95</td> </tr> <tr> <td>8 recreation/non-profit:</td> <td>1.99</td> </tr> <tr> <td>9 farm land:</td> <td>7.29</td> </tr> </table>	Class	Rate \$/\$1000	2 utilities:	12.57	3 supportive housing:	0.10	4 major industry:	1.33	5 light industry:	3.33	6 business and other:	3.33	7 managed forest land:	1.95	8 recreation/non-profit:	1.99	9 farm land:	7.29	Some exemptions apply under various statutes. Tax rates for 2023 were set according to the usual policy, so that revenues would grow from 2022 by inflation and by the tax on new building since 2022. Starting in 2023, the 60% credit on major industrial (class 4) properties is eliminated. The class 4 property tax rate is reduced by an equivalent amount, resulting in no effective change from the removal of the credit. A 50% provincial farm land property tax credit reduces the provincial school property tax on farm land (class 9).
Class	Rate \$/\$1000																				
2 utilities:	12.57																				
3 supportive housing:	0.10																				
4 major industry:	1.33																				
5 light industry:	3.33																				
6 business and other:	3.33																				
7 managed forest land:	1.95																				
8 recreation/non-profit:	1.99																				
9 farm land:	7.29																				
Police tax — <i>Police Act</i>	Assessed value of land and improvements in municipalities under 5,000 population and in rural areas. Assessment determined under the <i>Assessment Act</i> .	Rates are set annually to raise up to 50% of the provincial cost of rural and small community policing. Rates are set for each of the nine property classes in each municipality under 5,000 population, in each electoral area of the province and in the area of the province outside a regional district.	As announced in the <i>Budget 2023</i> , police tax revenue is set to target 33% of the cost estimate after all the tax reduction. Basic rates are calculated using a formula that includes assessed value and population. Tax rate reductions are embedded in the rates to reflect the contribution taxpayers in the rural areas make to policing costs through the provincial rural area property tax and payments of grants in lieu of police tax by exempt taxpayers. Rates are further reduced to deliver traffic fine revenue sharing amounts to taxpayers: in municipalities over 5,000 where police tax does not apply the traffic fine revenue sharing amounts are paid to municipalities.																		
Speculation and vacancy tax — <i>Speculation and Vacancy Tax Act</i>	Tax is based on the assessed value of the residential property. Assessment determined under the <i>Assessment Act</i> .	The tax rate is 2% for foreign owners and untaxed worldwide earners (satellite families). The tax rate for other owners is 0.5%.	The tax is intended to capture foreign and domestic speculators who own residential property in designated taxable areas. Different exemptions and credits are available depending on owner type. The principal residence of a resident of British Columbia is exempt from tax. Residential property that is rented out is exempt. Property that is under construction or development is exempt. There are also a variety of hardship exemptions available. Residents of B.C. are entitled to an up to \$2,000 tax credit. Other categories of owners are entitled to a tax credit based on reported B.C. income and the use of the property.																		

Table 3.2 Interprovincial Comparisons of Tax Rates – 2023
(Rates known and in effect as of July 1, 2023)

Tax	British Columbia	Alberta	Saskatchewan	Manitoba	Ontario	Quebec	New Brunswick	Nova Scotia	Prince Edward Island	Newfoundland and Labrador
Corporate income tax (per cent of taxable income)										
General rate	12	8	12	12	11.5	11.5	14	14	16	15
Manufacturing rate ¹	12	8	10	12	10	11.5	14	14	16	15
Small business rate ²	2	2	1	0	3.2	3.2	2.5	2.5	1	3
Small business threshold (\$000s)	500	500	600	500	500	500	500	500	500	500
Corporation capital tax (per cent)										
Financial ³	<i>Nil</i>	<i>Nil</i>	0.7/4	6	<i>Nil</i>	1.25	4/5	4	5	6
Payroll tax (per cent) ⁴	1.95	<i>Nil</i>	<i>Nil</i>	2.15	1.95	4.26	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	2
Insurance premium tax (per cent) ⁵	2/7	3/4	3/4	2/4	2/3.5	3.3	2/3	3/4	3.75/4	5
Fuel tax (cents per litre) ⁶										
Gasoline	28.81	14.31	29.31	28.31	34.62	34.18	39.11	43.10	36.91	36.42
Diesel	31.85	17.38	32.38	31.38	36.86	33.96	46.32	44.83	45.34	40.75
Sales tax (per cent) ⁷										
General rate	7	<i>Nil</i>	6	7	8	9.975	10	10	10	10
Tobacco tax (\$ per carton of 200 cigarettes) ⁸	76.08	55	67.08	70.73	47.37	37.8	65.47	74.27	74.27	80.83

¹ In British Columbia (and some other provinces), the general rate applies to income from manufacturing and processing.

² Saskatchewan has temporarily reduced the province's small business rate. The rate was 0 per cent from October 1, 2020 to June 30, 2023. Effective July 1, 2023, the rate is increased to 1 per cent and is due to increase to 2 per cent July 1, 2024.

³ Saskatchewan provides a lower rate for small financial corporations, while Manitoba exempts small financial corporations from taxation. Quebec's tax only applies to life insurance companies. New Brunswick generally applies a 4 per cent tax on financial institutions with a 5 per cent tax on banks specifically. Saskatchewan, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador each provide capital tax deductions.

⁴ Provinces with payroll taxes provide payroll tax relief for small businesses. Quebec levies a compensation tax of up to 2.8 per cent on salaries and wages paid by financial institutions other than insurance corporations which are taxed at a rate of 0.3 per cent.

⁵ Lower rates apply to premiums for life, sickness, and accident insurance; higher rates apply to premiums for property insurance including automobile insurance. In British Columbia, the highest rate applies to unlicensed insurance. Quebec's rate includes the 0.3 per cent rate of compensation tax levied on insurance corporations. In Saskatchewan, Manitoba, Ontario, Quebec, and Newfoundland and Labrador, sales taxes also apply to certain insurance premiums except, generally, those related to individual life and health.

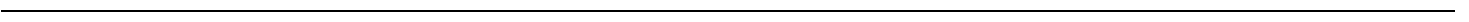
⁶ Tax rates are for regular fuel used on highways and include all provincial taxes payable by consumers at the pump. The British Columbia rates include 6.75 cents per litre dedicated to the BC Transportation Financing Authority and the carbon tax rates of 14.31 cents per litre for gasoline and 16.85 cents per litre for diesel. The British Columbia rates do not include regional taxes that increase the gasoline and diesel rates by 18.5 cents per litre in the South Coast British Columbia Transportation Authority service region and by 5.5 cents per litre in the Capital Regional District. The rates for Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador include provincial sales tax based on average pump prices as of June 2023. The rates for Alberta, Saskatchewan, Manitoba, Ontario, Newfoundland and Labrador, Nova Scotia, New Brunswick, and Prince Edward Island include federal carbon pricing backstop rates of 14.31 cents per litre for gasoline and 17.38 cents per litre for diesel. In Alberta, fuel tax rates, including gas and diesel, are adjusted quarterly based on an average West Texas Intermediate price within a given period, and fuel tax rates are currently at zero as a temporary measure until December 31, 2023. The temporary fuel tax reduction in Newfoundland and Labrador has been included as it is in effect until March 31, 2024. The temporary fuel tax reduction in Ontario has been included as it is in effect until December 31, 2023. Quebec's rates do not include increased or reduced regional tax rates, such as an additional 3 cents per litre on gasoline in the Montreal area.

⁷ Tax rates shown are statutory rates. Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador have harmonized their sales taxes with the federal GST. Alberta imposes a 4 per cent tax on short-term rental accommodation.

⁸ Includes estimated provincial sales tax / provincial portion of the harmonized sales tax in all provinces except Alberta and Quebec.

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APPENDIX 1
ECONOMIC REVIEW
SUPPLEMENTARY TABLES

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Table A1.1A Aggregate and Labour Market Indicators

	Population ¹ (thousands)	Nominal GDP (\$ millions)	Real GDP (chained) (\$2012 millions)	Primary household income (\$ millions)	Gross fixed capital formation (\$ millions)	Business incorporations (number)	Labour force (thousands)	Employment (thousands)	Unemployment rate (per cent)
1981	2,827	46,596	104,634	33,035	13,256	-	1,416	1,320	6.8
1982	2,877	46,600	97,936	34,966	11,061	-	1,427	1,253	12.1
1983	2,908	49,329	98,655	35,263	10,903	-	1,446	1,245	13.9
1984	2,947	51,788	99,550	36,944	10,722	-	1,465	1,245	15.0
1985	2,975	55,788	106,567	39,668	11,573	-	1,493	1,280	14.3
1986	3,004	58,954	107,559	41,991	11,012	-	1,526	1,332	12.7
1987	3,049	65,147	114,142	45,787	12,607	-	1,567	1,378	12.1
1988	3,115	72,095	120,448	50,643	15,210	-	1,599	1,435	10.3
1989	3,197	78,443	124,256	56,796	18,748	-	1,659	1,508	9.1
1990	3,292	82,374	126,129	62,770	19,391	19,550	1,703	1,560	8.4
1991	3,374	84,975	126,535	65,226	19,283	18,528	1,751	1,578	9.9
1992	3,469	90,515	130,049	68,047	20,546	20,406	1,800	1,617	10.1
1993	3,568	97,221	136,155	70,589	21,435	22,955	1,848	1,668	9.7
1994	3,676	103,598	139,733	74,124	24,400	25,774	1,918	1,743	9.1
1995	3,777	109,203	143,402	78,040	23,076	23,846	1,951	1,786	8.5
1996	3,874	112,540	147,052	80,322	22,787	23,237	1,986	1,813	8.7
1997	3,949	118,585	151,968	83,387	24,819	22,958	2,032	1,860	8.5
1998	3,983	119,775	153,811	85,832	23,173	20,759	2,038	1,858	8.8
1999	4,011	125,658	159,162	89,551	23,281	21,009	2,064	1,894	8.3
2000	4,039	136,411	166,405	94,462	24,152	21,388	2,080	1,931	7.2
2001	4,077	138,815	167,541	97,235	26,197	19,474	2,082	1,921	7.7
2002	4,101	143,993	174,214	101,152	26,819	20,987	2,135	1,952	8.5
2003	4,124	151,958	178,240	104,469	29,096	22,531	2,172	1,998	8.0
2004	4,156	164,600	185,250	111,064	34,336	24,703	2,186	2,028	7.2
2005	4,196	177,197	194,460	118,263	39,429	30,937	2,220	2,090	5.9
2006	4,242	190,479	203,053	128,744	45,658	33,273	2,264	2,153	4.9
2007	4,291	200,440	209,419	137,373	49,568	34,036	2,312	2,211	4.4
2008	4,349	206,427	210,903	142,034	52,692	30,085	2,357	2,244	4.8
2009	4,411	198,179	205,878	140,482	46,303	26,431	2,389	2,202	7.8
2010	4,466	206,990	211,749	144,734	49,423	30,305	2,410	2,222	7.8
2011	4,502	218,771	218,203	152,291	50,911	30,853	2,420	2,235	7.6
2012	4,567	223,328	223,329	158,221	54,486	31,067	2,465	2,296	6.9
2013	4,630	230,981	228,310	166,281	53,814	32,224	2,487	2,322	6.6
2014	4,707	243,872	236,696	172,841	59,031	34,951	2,505	2,349	6.2
2015	4,776	250,784	241,509	181,683	59,392	37,934	2,546	2,389	6.2
2016	4,859	263,912	248,262	187,000	64,897	43,555	2,628	2,468	6.1
2017	4,929	282,283	257,724	198,265	69,871	46,249	2,703	2,560	5.3
2018	5,010	297,392	266,882	204,273	73,768	46,245	2,733	2,606	4.6
2019	5,095	308,993	273,941	218,490	82,248	44,724	2,813	2,678	4.8
2020	5,155	306,947	265,831	218,456	84,186	47,788	2,761	2,509	9.1
2021	5,202	350,598	282,111	241,341	100,041	60,813	2,852	2,664	6.6
2022	5,319	-	-	-	-	51,969	2,881	2,748	4.6

¹ As at July 1. Data take into account adjustments made for net census undercount in 1996, 2001, 2006, 2011, 2016, non-permanent residents and incompletely enumerated Indian reserves.



Table A1.1A Aggregate and Labour Market Indicators (*continued*)

	Population ¹	Nominal GDP	Real GDP (chained)	Primary household income (annual percentage change) ²	Gross fixed capital formation (16.6)	Business incorporations	Labour force	Employment	Unemployment rate
1982	1.8	0.0	(6.4)	5.8	(16.6)	-	0.8	(5.0)	5.3
1983	1.1	5.9	0.7	0.8	(1.4)	-	1.3	(0.7)	1.8
1984	1.4	5.0	0.9	4.8	(1.7)	-	1.3	0.0	1.1
1985	0.9	7.7	7.0	7.4	7.9	-	1.9	2.8	(0.7)
1986	1.0	5.7	0.9	5.9	(4.8)	-	2.2	4.1	(1.6)
1987	1.5	10.5	6.1	9.0	14.5	-	2.7	3.4	(0.6)
1988	2.2	10.7	5.5	10.6	20.6	-	2.0	4.1	(1.8)
1989	2.6	8.8	3.2	12.1	23.3	-	3.8	5.1	(1.2)
1990	3.0	5.0	1.5	10.5	3.4	-	2.6	3.4	(0.7)
1991	2.5	3.2	0.3	3.9	(0.6)	(5.2)	2.8	1.1	1.5
1992	2.8	6.5	2.8	4.3	6.5	10.1	2.8	2.5	0.2
1993	2.9	7.4	4.7	3.7	4.3	12.5	2.7	3.1	(0.4)
1994	3.0	6.6	2.6	5.0	13.8	12.3	3.8	4.5	(0.6)
1995	2.8	5.4	2.6	5.3	(5.4)	(7.5)	1.7	2.4	(0.6)
1996	2.6	3.1	2.5	2.9	(1.3)	(2.6)	1.8	1.6	0.2
1997	1.9	5.4	3.3	3.8	8.9	(1.2)	2.3	2.6	(0.2)
1998	0.9	1.0	1.2	2.9	(6.6)	(9.6)	0.3	(0.1)	0.3
1999	0.7	4.9	3.5	4.3	0.5	1.2	1.3	1.9	(0.5)
2000	0.7	8.6	4.6	5.5	3.7	1.8	0.8	2.0	(1.1)
2001	0.9	1.8	0.7	2.9	8.5	(8.9)	0.1	(0.5)	0.5
2002	0.6	3.7	4.0	4.0	2.4	7.8	2.5	1.6	0.8
2003	0.6	5.5	2.3	3.3	8.5	7.4	1.7	2.3	(0.5)
2004	0.8	8.3	3.9	6.3	18.0	9.6	0.7	1.5	(0.8)
2005	1.0	7.7	5.0	6.5	14.8	25.2	1.5	3.0	(1.3)
2006	1.1	7.5	4.4	8.9	15.8	7.6	2.0	3.0	(1.0)
2007	1.2	5.2	3.1	6.7	8.6	2.3	2.1	2.7	(0.5)
2008	1.4	3.0	0.7	3.4	6.3	(11.6)	1.9	1.5	0.4
2009	1.4	(4.0)	(2.4)	(1.1)	(12.1)	(12.1)	1.4	(1.9)	3.0
2010	1.2	4.4	2.9	3.0	6.7	14.7	0.9	0.9	0.0
2011	0.8	5.7	3.0	5.2	3.0	1.8	0.4	0.6	(0.2)
2012	1.4	2.1	2.3	3.9	7.0	0.7	1.9	2.7	(0.7)
2013	1.4	3.4	2.2	5.1	(1.2)	3.7	0.9	1.2	(0.3)
2014	1.7	5.6	3.7	3.9	9.7	8.5	0.7	1.2	(0.4)
2015	1.5	2.8	2.0	5.1	0.6	8.5	1.6	1.7	0.0
2016	1.7	5.2	2.8	2.9	9.3	14.8	3.2	3.3	(0.1)
2017	1.4	7.0	3.8	6.0	7.7	6.2	2.9	3.7	(0.8)
2018	1.6	5.4	3.6	3.0	5.6	(0.0)	1.1	1.8	(0.7)
2019	1.7	3.9	2.6	7.0	11.5	(3.3)	2.9	2.7	0.2
2020	1.2	(0.7)	(3.0)	(0.0)	2.4	6.9	(1.9)	(6.3)	4.3
2021	0.9	14.2	6.1	10.5	18.8	27.3	3.3	6.2	(2.5)
2022	2.2	-	-	-	-	(14.5)	1.0	3.2	(2.0)

¹ As at July 1. Data take into account adjustments made for net census undercount in 1996, 2001, 2006, 2011, 2016, non-permanent residents and incompletely enumerated Indian reserves.

² Annual unemployment rate expressed as percentage point difference.

Sources: Statistics Canada (Tables: 17-10-0005-01, 36-10-0222-01, 36-10-0224-01, 14-10-0327-01 - accessed April 2023) and BC Stats.

Table A1.1B Prices, Earnings and Financial Indicators

	B.C. CPI (2002=100)	Vancouver CPI (2002=100)	Average weekly wage rate ¹ (\$)	Compensation of employees ² (\$ millions)	Primary household income per capita (current \$)	Household disposable income per capita (current \$)	Prime rate (per cent)	Can/US exchange rate (US cents)	Conventional (5 year) mortgage rate (per cent) ³
1981	51.8	51.2	-	25,554	11,687	9,535	19.4	83.4	18.4
1982	57.3	56.6	-	26,380	12,156	10,085	16.0	81.1	18.1
1983	60.4	59.7	-	26,834	12,128	10,139	11.2	81.1	13.3
1984	62.8	62.1	-	27,748	12,535	10,611	12.1	77.2	13.6
1985	64.8	64.0	-	29,303	13,333	11,377	10.6	73.2	12.2
1986	66.7	66.2	-	30,408	13,980	11,863	10.6	72.0	11.2
1987	68.7	68.2	-	33,177	15,019	12,695	9.6	75.4	11.2
1988	71.2	70.6	-	36,537	16,259	13,587	10.7	81.3	11.6
1989	74.4	73.8	-	40,711	17,767	14,843	13.3	84.5	12.1
1990	78.4	77.8	-	44,656	19,067	15,528	14.1	85.7	13.3
1991	82.6	81.9	-	46,772	19,333	15,887	10.1	87.3	11.2
1992	84.8	84.3	-	49,430	19,617	16,272	7.5	82.7	9.5
1993	87.8	87.3	-	51,782	19,785	16,575	6.0	77.5	8.8
1994	89.5	89.1	-	54,492	20,164	16,744	6.8	73.2	9.4
1995	91.6	91.3	-	57,214	20,660	16,934	8.6	72.9	9.2
1996	92.4	92.1	-	58,685	20,732	16,884	6.2	73.3	8.0
1997	93.1	92.6	612.55	60,816	21,118	17,198	4.9	72.2	7.1
1998	93.4	93.0	620.99	62,340	21,549	17,491	6.7	67.4	6.9
1999	94.4	93.9	628.12	64,358	22,324	18,318	6.4	67.3	7.5
2000	96.1	96.0	639.18	68,975	23,386	18,872	7.2	67.3	8.3
2001	97.7	97.8	648.27	70,663	23,850	19,826	6.0	64.6	7.4
2002	100.0	100.0	668.48	73,752	24,668	20,996	4.2	63.7	7.0
2003	102.2	102.0	683.79	76,134	25,329	21,447	4.7	71.4	6.4
2004	104.2	104.0	687.32	81,017	26,726	22,427	4.0	76.8	6.3
2005	106.3	106.0	704.05	86,189	28,184	23,216	4.4	82.5	6.0
2006	108.1	108.0	738.96	94,384	30,351	25,108	5.8	88.2	6.6
2007	110.0	110.2	771.37	99,719	32,014	26,428	6.1	93.1	7.0
2008	112.3	112.8	806.27	103,735	32,656	27,179	4.8	93.7	7.1
2009	112.3	112.9	827.37	101,368	31,852	27,274	2.4	87.6	5.7
2010	113.8	114.9	843.22	103,864	32,411	28,225	2.6	97.1	5.6
2011	116.5	117.5	858.82	108,841	33,827	28,969	3.0	101.1	5.4
2012	117.8	119.0	877.18	112,543	34,646	29,722	3.0	100.1	5.3
2013	117.7	119.2	909.44	117,735	35,913	30,982	3.0	97.1	5.2
2014	118.9	120.5	909.26	122,520	36,719	31,512	3.0	90.5	4.9
2015	120.2	121.9	951.14	127,754	38,038	32,610	2.8	78.2	4.7
2016	122.4	124.6	954.67	130,955	38,483	33,038	2.7	75.4	4.7
2017	125.0	127.3	970.74	138,027	40,221	34,782	2.9	77.0	4.8
2018	128.4	131.0	1,000.92	145,322	40,769	34,925	3.6	77.2	5.3
2019	131.4	134.1	1,021.16	153,561	42,885	36,813	4.0	75.4	5.3
2020	132.4	134.9	1,093.77	152,732	42,373	40,087	2.8	74.6	4.9
2021	136.1	138.5	1,136.50	171,846	46,391	41,638	2.5	79.8	4.8
2022	145.5	147.8	1,191.03	-	-	-	4.1	76.8	5.7

1 Data prior to 1997 are not available.

2 Component of household income account. This amount includes the wages, salaries and employers' social contributions earned by BC residents, regardless of where they are employed.

3 The most typical of those offered by the major chartered banks.



Table A1.1B Prices, Earnings and Financial Indicators (*continued*)

	B.C. CPI	Vancouver CPI	Average weekly wage rate ¹	Compensation of employees ²	Primary household income per capita	Household disposable income per capita	Prime rate	Can/US exchange rate	Conventional (5 year) mortgage rate ³
				(annual percentage change) ⁴					
1982	10.6	10.5	-	3.2	4.0	5.8	(3.4)	(2.4)	(0.2)
1983	5.4	5.5	-	1.7	(0.2)	0.5	(4.8)	0.1	(4.9)
1984	4.0	4.0	-	3.4	3.4	4.7	0.9	(3.9)	0.3
1985	3.2	3.1	-	5.6	6.4	7.2	(1.5)	(4.0)	(1.4)
1986	2.9	3.4	-	3.8	4.9	4.3	(0.1)	(1.3)	(1.0)
1987	3.0	3.0	-	9.1	7.4	7.0	(1.0)	3.4	(0.1)
1988	3.6	3.5	-	10.1	8.3	7.0	1.2	5.8	0.5
1989	4.5	4.5	-	11.4	9.3	9.2	2.5	3.2	0.4
1990	5.4	5.4	-	9.7	7.3	4.6	0.9	1.2	1.3
1991	5.4	5.3	-	4.7	1.4	2.3	(4.0)	1.6	(2.1)
1992	2.7	2.9	-	5.7	1.5	2.4	(2.6)	(4.5)	(1.7)
1993	3.5	3.6	-	4.8	0.9	1.9	(1.6)	(5.2)	(0.8)
1994	1.9	2.1	-	5.2	1.9	1.0	0.8	(4.3)	0.6
1995	2.3	2.5	-	5.0	2.5	1.1	1.9	(0.4)	(0.2)
1996	0.9	0.9	-	2.6	0.3	(0.3)	(2.4)	0.5	(1.2)
1997	0.8	0.5	-	3.6	1.9	1.9	(1.3)	(1.1)	(0.9)
1998	0.3	0.4	1.4	2.5	2.0	1.7	1.7	(4.8)	(0.1)
1999	1.1	1.0	1.1	3.2	3.6	4.7	(0.2)	(0.1)	0.6
2000	1.8	2.2	1.8	7.2	4.8	3.0	0.8	0.0	0.8
2001	1.7	1.9	1.4	2.4	2.0	5.1	(1.3)	(2.8)	(0.9)
2002	2.4	2.2	3.1	4.4	3.4	5.9	(1.8)	(0.9)	(0.4)
2003	2.2	2.0	2.3	3.2	2.7	2.2	0.5	7.7	(0.6)
2004	2.0	2.0	0.5	6.4	5.5	4.6	(0.7)	5.5	(0.2)
2005	2.0	1.9	2.4	6.4	5.5	3.5	0.4	5.7	(0.3)
2006	1.7	1.9	5.0	9.5	7.7	8.1	1.4	5.6	0.7
2007	1.8	2.0	4.4	5.7	5.5	5.3	0.3	5.0	0.4
2008	2.1	2.4	4.5	4.0	2.0	2.8	(1.3)	0.6	0.1
2009	0.0	0.1	2.6	(2.3)	(2.5)	0.4	(2.4)	(6.1)	(1.4)
2010	1.3	1.8	1.9	2.5	1.8	3.5	0.2	9.5	(0.1)
2011	2.4	2.3	1.9	4.8	4.4	2.6	0.4	4.0	(0.2)
2012	1.1	1.3	2.1	3.4	2.4	2.6	0.0	(1.0)	(0.1)
2013	(0.1)	0.2	3.7	4.6	3.7	4.2	0.0	(3.0)	(0.0)
2014	1.0	1.1	(0.0)	4.1	2.2	1.7	0.0	(6.6)	(0.3)
2015	1.1	1.2	4.6	4.3	3.6	3.5	(0.2)	(12.3)	(0.2)
2016	1.8	2.2	0.4	2.5	1.2	1.3	(0.1)	(2.8)	(0.0)
2017	2.1	2.2	1.7	5.4	4.5	5.3	0.2	1.6	0.1
2018	2.7	2.9	3.1	5.3	1.4	0.4	0.7	0.1	0.5
2019	2.3	2.4	2.0	5.7	5.2	5.4	0.4	(1.8)	0.0
2020	0.8	0.6	7.1	(0.5)	(1.2)	8.9	(1.2)	(0.8)	(0.3)
2021	2.8	2.7	3.9	12.5	9.5	3.9	(0.3)	5.2	(0.2)
2022	6.9	6.7	4.8	-	-	-	1.7	(2.9)	0.9

1 Data prior to 1997 are not available.

2 Component of household income account. This amount includes the wages, salaries and employers' social contributions earned by BC residents, regardless of where they are employed.

3 The most typical of those offered by the major chartered banks.

4 Prime rate, exchange rate and conventional (5 year) mortgage rates expressed as percentage point difference.

Sources: Statistics Canada (Tables: 18-10-0005-01, 14-10-0064-01, 36-10-0224-01, 10-10-0145-01 - accessed April 2023), Bank of Canada, Haver Analytics and BC Stats.

Table A1.1C Other Indicators

	Manufacturing shipments (\$ millions)	Retail sales (\$ millions)	Housing starts (units)	Non-residential building permits (\$ millions)	MLS home sales (units)	MLS average home sale price (\$)	Tourism GDP ¹ (\$2012 millions)	High-tech GDP ² (\$2012 millions)	B.C. international goods exports (\$ millions)
1981	-	-	41,585	1,335	19,161	117,534	-	-	8,877
1982	-	-	19,807	1,026	25,040	93,951	-	-	9,925
1983	-	-	22,607	775	32,131	95,620	-	-	11,659
1984	-	-	16,169	827	30,955	90,923	-	-	12,315
1985	-	-	17,969	812	43,530	87,957	-	-	12,715
1986	-	-	20,687	912	46,145	92,852	-	-	15,690
1987	-	-	28,944	999	56,376	101,916	-	-	15,883
1988	-	-	30,487	1,647	67,460	121,040	-	-	17,405
1989	-	-	38,894	1,812	83,652	151,400	-	-	17,775
1990	-	-	36,720	1,833	58,027	157,616	-	-	16,607
1991	-	25,022	31,875	1,803	84,554	168,235	-	-	15,253
1992	24,398	26,194	40,621	2,082	93,564	189,999	-	-	16,336
1993	26,583	28,463	42,807	1,944	80,919	211,992	-	-	19,034
1994	30,333	31,770	39,408	1,772	75,315	228,154	-	-	22,856
1995	34,207	34,219	27,057	1,966	58,176	221,735	-	-	26,874
1996	32,932	34,775	27,641	1,957	72,022	218,955	-	-	25,717
1997	33,496	36,591	29,351	1,960	68,131	220,539	-	6,313	26,699
1998	31,757	35,762	19,931	2,022	52,852	212,135	-	6,637	25,942
1999	36,679	36,373	16,309	2,104	57,945	215,611	-	7,065	29,044
2000	40,699	38,435	14,418	2,089	54,162	221,391	-	8,221	33,640
2001	38,303	40,719	17,234	2,125	69,515	222,831	-	8,380	31,680
2002	38,610	43,265	21,625	1,771	82,597	238,923	-	8,729	28,828
2003	39,772	44,421	26,174	1,880	93,151	260,075	-	9,571	28,265
2004	41,607	47,219	32,925	2,070	96,425	289,209	-	9,880	31,008
2005	42,883	49,380	34,667	3,212	105,566	332,912	-	10,819	34,167
2006	44,480	53,136	36,443	3,921	97,021	390,228	-	11,623	33,466
2007	42,418	56,936	39,195	3,933	102,604	439,477	-	12,241	31,524
2008	39,435	57,794	34,321	3,678	68,843	454,147	-	12,561	33,124
2009	32,951	55,288	16,077	3,139	85,076	465,336	4,886	12,187	25,240
2010	35,575	58,251	26,479	3,018	74,841	504,730	5,294	12,650	28,646
2011	37,998	60,090	26,400	3,136	76,900	560,598	5,412	13,146	32,671
2012	38,491	61,217	27,465	4,048	67,682	514,152	5,428	13,565	31,484
2013	40,199	62,944	27,054	3,108	72,985	536,947	5,528	13,918	33,421
2014	43,888	66,916	28,356	3,729	84,084	568,006	5,718	14,756	35,832
2015	45,157	71,609	31,446	3,680	102,573	635,881	6,142	14,905	35,497
2016	47,089	77,109	41,843	3,392	112,243	690,107	6,655	15,808	38,423
2017	51,320	87,846	43,664	4,212	103,843	708,570	6,993	16,629	43,241
2018	55,265	90,169	40,857	5,691	78,473	711,163	7,330	17,872	46,280
2019	53,953	91,305	44,932	6,121	77,287	700,155	7,574	19,594	43,348
2020	52,188	92,916	37,734	5,216	93,900	781,635	4,069	20,085	39,604
2021	63,074	104,653	47,607	5,176	124,776	927,524	4,997	21,217	53,910
2022	68,954	107,889	46,721	7,950	80,859	996,598	-	-	64,930

¹ Data prior to 2009 are not available.

² Data prior to 1997 are not available.



Table A1.1C Other Indicators (continued)

	Manufacturing shipments	Retail sales	Housing starts	Non-residential building permits (annual percentage change)	MLS Home Sales	MLS Average Home Sale Price	Tourism GDP ¹	High-tech GDP ²	B.C. international goods exports
1982	-	-	(52.4)	(23.2)	30.7	(20.1)	-	-	11.8
1983	-	-	14.1	(24.5)	28.3	1.8	-	-	17.5
1984	-	-	(28.5)	6.7	(3.7)	(4.9)	-	-	5.6
1985	-	-	11.1	(1.7)	40.6	(3.3)	-	-	3.3
1986	-	-	15.1	12.3	6.0	5.6	-	-	23.4
1987	-	-	39.9	9.6	22.2	9.8	-	-	1.2
1988	-	-	5.3	64.9	19.7	18.8	-	-	9.6
1989	-	-	27.6	10.0	24.0	25.1	-	-	2.1
1990	-	-	(5.6)	1.2	(30.6)	4.1	-	-	(6.6)
1991	-	-	(13.2)	(1.6)	45.7	6.7	-	-	(8.2)
1992	-	4.7	27.4	15.5	10.7	12.9	-	-	7.1
1993	9.0	8.7	5.4	(6.7)	(13.5)	11.6	-	-	16.5
1994	14.1	11.6	(7.9)	(8.9)	(6.9)	7.6	-	-	20.1
1995	12.8	7.7	(31.3)	11.0	(22.8)	(2.8)	-	-	17.6
1996	(3.7)	1.6	2.2	(0.4)	23.8	(1.3)	-	-	(4.3)
1997	1.7	5.2	6.2	0.1	(5.4)	0.7	-	-	3.8
1998	(5.2)	(2.3)	(32.1)	3.2	(22.4)	(3.8)	-	5.1	(2.8)
1999	15.5	1.7	(18.2)	4.0	9.6	1.6	-	6.4	12.0
2000	11.0	5.7	(11.6)	(0.7)	(6.5)	2.7	-	16.4	15.8
2001	(5.9)	5.9	19.5	1.7	28.3	0.7	-	1.9	(5.8)
2002	0.8	6.3	25.5	(16.6)	18.8	7.2	-	4.2	(9.0)
2003	3.0	2.7	21.0	6.1	12.8	8.9	-	9.7	(2.0)
2004	4.6	6.3	25.8	10.1	3.5	11.2	-	3.2	9.7
2005	3.1	4.6	5.3	55.2	9.5	15.1	-	9.5	10.2
2006	3.7	7.6	5.1	22.1	(8.1)	17.2	-	7.4	(2.1)
2007	(4.6)	7.2	7.6	0.3	5.8	12.6	-	5.3	(5.8)
2008	(7.0)	1.5	(12.4)	(6.5)	(32.9)	3.3	-	2.6	5.1
2009	(16.4)	(4.3)	(53.2)	(14.7)	23.6	2.5	-	(3.0)	(23.8)
2010	8.0	5.4	64.7	(3.9)	(12.0)	8.5	8.4	3.8	13.5
2011	6.8	3.2	(0.3)	3.9	2.8	11.1	2.2	3.9	14.1
2012	1.3	1.9	4.0	29.1	(12.0)	(8.3)	0.3	3.2	(3.6)
2013	4.4	2.8	(1.5)	(23.2)	7.8	4.4	1.8	2.6	6.2
2014	9.2	6.3	4.8	20.0	15.2	5.8	3.4	6.0	7.2
2015	2.9	7.0	10.9	(1.3)	22.0	11.9	7.4	1.0	(0.9)
2016	4.3	7.7	33.1	(7.8)	9.4	8.5	8.4	6.1	8.2
2017	9.0	13.9	4.4	24.2	(7.5)	2.7	5.1	5.2	12.5
2018	7.7	2.6	(6.4)	35.1	(24.4)	0.4	4.8	7.5	7.0
2019	(2.4)	1.3	10.0	7.5	(1.5)	(1.5)	3.3	9.6	(6.3)
2020	(3.3)	1.8	(16.0)	(14.8)	21.5	11.6	(46.3)	2.5	(8.6)
2021	20.9	12.6	26.2	(0.8)	32.9	18.7	22.8	5.6	36.1
2022	9.3	3.1	(1.9)	53.6	(35.2)	7.4	-	-	20.4

¹ Data prior to 2009 are not available.

² Data prior to 1997 are not available.

Sources: Statistics Canada (Tables: 16-10-0048-01, 20-10-0056-01, 34-10-0126-01, 34-10-0066-01 - accessed June 2023); Canadian Real Estate Association; Haver Analytics; BC Stats; and DestinationBC.

Table A1.1D Commodity Production Indicators

	Lumber ¹ production (thousand m ³)	Timber scale data (thousand m ³)	Pulp production (000 tonnes)	Newsprint, etc production (000 tonnes)	Oil & natural gas production (\$ millions)	Coal production (000 tonnes)	Solid mineral shipments ² (\$ millions)	Electric pwr generated (GW.h)	Farm cash receipts (\$ millions)	Landed value of seafood products (\$ millions)
1981	24,598	-	-	-	-	11,782	2,831	51,008	877	-
1982	23,855	-	2,823	1,872	-	11,769	2,769	48,238	962	241
1983	30,773	-	3,267	2,148	-	11,717	2,903	47,213	917	210
1984	30,884	-	3,051	2,084	-	20,771	3,346	52,369	1,005	243
1985	32,994	76,869	3,442	2,470	-	22,993	3,541	59,126	1,061	378
1986	31,468	77,503	3,727	2,628	-	20,361	3,160	50,759	1,106	405
1987	37,336	90,592	4,291	2,759	-	21,990	3,615	63,066	1,122	455
1988	36,736	86,808	4,354	2,878	-	24,942	3,943	60,943	1,206	573
1989	35,952	86,793	4,281	2,862	585	24,800	4,123	57,655	1,255	513
1990	33,514	78,045	3,709	3,002	902	24,557	3,954	60,662	1,299	559
1991	31,406	73,449	3,957	2,721	858	24,965	3,840	62,981	1,342	492
1992	33,396	73,937	3,954	2,692	890	17,173	3,500	64,058	1,404	533
1993	33,935	79,232	3,981	3,067	1,089	20,633	3,538	58,774	1,446	605
1994	33,671	75,639	4,670	2,947	1,270	22,583	4,066	61,015	1,538	728
1995	32,611	75,430	4,773	2,836	1,040	24,350	4,501	58,006	1,586	604
1996	32,671	73,099	4,473	2,842	1,333	25,422	4,340	71,765	1,706	590
1997	31,562	69,155	4,532	2,260	1,588	27,876	4,681	66,961	1,738	604
1998	30,238	65,451	4,296	2,781	1,574	24,868	4,466	67,710	1,780	547
1999	32,397	75,878	4,921	3,047	2,091	24,845	4,536	68,045	1,885	613
2000	34,346	76,009	5,324	3,106	4,783	25,682	7,901	68,241	2,024	667
2001	32,606	69,796	4,525	2,900	5,666	27,006	8,623	57,332	2,201	647
2002	35,501	75,208	4,465	2,905	4,251	24,397	2,864	64,945	2,174	664
2003	36,052	74,899	4,785	2,916	6,230	23,073	2,887	63,051	2,248	645
2004	39,951	81,679	4,777	3,046	6,784	27,313	3,740	60,496	2,360	635
2005	41,129	83,590	4,937	2,982	8,967	26,718	5,384	67,774	2,389	706
2006	41,198	80,350	4,742	3,010	7,148	23,161	5,991	61,598	2,346	788
2007	36,811	72,684	4,742	2,764	6,934	25,941	5,611	71,830	2,381	727
2008	28,263	61,137	4,115	2,521	9,264	26,163	7,403	66,072	2,522	718
2009	22,935	48,822	3,547	2,094	4,120	21,193	5,622	65,057	2,525	700
2010	26,831	63,336	4,262	1,621	4,528	26,040	7,166	64,224	2,547	873
2011	28,414	69,580	4,502	1,553	4,945	27,431	8,982	69,257	2,688	813
2012	29,164	68,133	4,444	1,445	3,415	28,777	7,826	73,584	2,845	748
2013	30,023	71,053	4,296	1,420	4,676	31,132	7,112	67,851	2,883	775
2014	29,635	66,382	4,294	1,435	6,996	x	6,815	67,008	3,037	862
2015	30,612	68,709	4,320	1,252	3,536	x	6,186	71,771	3,188	885
2016	31,448	66,252	4,223	1,143	3,073	x	6,704	69,779	3,119	1,180
2017	30,337	64,516	4,215	1,126	3,958	x	9,178	74,586	3,243	1,187
2018	29,200	67,938	4,089	1,042	4,742	x	9,783	69,781	3,453	1,294
2019	22,839	54,260	4,097	986	4,270	x	8,870	64,782	3,930	1,123
2020	21,176	51,652	3,926	581	4,014	x	8,119	70,947	3,962	1,015
2021	21,740	52,719	3,715	813	9,381	x	12,899	74,207	4,172	1,166
2022	18,563	47,642	3,308	698	17,041	x	-	-	4,696	-

1 Total lumber production is total softwood production.

2 Values as reported in the 2022 *British Columbia Financial and Economic Review* due to a significant methodological change from the source.

x Suppressed to meet the confidentiality requirements of the *Statistics Act*.

Table A1.1D Commodity Production Indicators (*continued*)

	Lumber ¹ production	Timber scale data	Pulp production	Newsprint, etc production	Oil & natural gas production	Coal production	Solid mineral shipments ²	Electric pwr generated	Farm cash receipts	Landed value of seafood products
	(annual percentage change)									
1982	(3.0)	-	-	-	-	(0.1)	(2.2)	(5.4)	9.7	-
1983	29.0	-	15.7	14.7	-	(0.4)	4.8	(2.1)	(4.7)	(12.9)
1984	0.4	-	(6.6)	(3.0)	-	77.3	15.3	10.9	9.6	15.7
1985	6.8	-	12.8	18.5	-	10.7	5.8	12.9	5.7	55.6
1986	(4.6)	0.8	8.3	6.4	-	(11.4)	(10.8)	(14.2)	4.2	7.1
1987	18.6	16.9	15.1	5.0	-	8.0	14.4	24.2	1.4	12.3
1988	(1.6)	(4.2)	1.5	4.3	-	13.4	9.1	(3.4)	7.6	25.9
1989	(2.1)	(0.0)	(1.7)	(0.6)	-	(0.6)	4.6	(5.4)	4.0	(10.5)
1990	(6.8)	(10.1)	(13.4)	4.9	54.0	(1.0)	(4.1)	5.2	3.5	9.0
1991	(6.3)	(5.9)	6.7	(9.4)	(4.8)	1.7	(2.9)	3.8	3.3	(12.0)
1992	6.3	0.7	(0.1)	(1.1)	3.7	(31.2)	(8.9)	1.7	4.7	8.3
1993	1.6	7.2	0.7	13.9	22.4	20.1	1.1	(8.2)	3.0	13.5
1994	(0.8)	(4.5)	17.3	(3.9)	16.6	9.5	14.9	3.8	6.4	20.3
1995	(3.1)	(0.3)	2.2	(3.8)	(18.1)	7.8	10.7	(4.9)	3.1	(17.0)
1996	0.2	(3.1)	(6.3)	0.2	28.2	4.4	(3.6)	23.7	7.6	(2.3)
1997	(3.4)	(5.4)	1.3	(20.5)	19.1	9.7	7.9	(6.7)	1.9	2.5
1998	(4.2)	(5.4)	(5.2)	23.1	(0.9)	(10.8)	(4.6)	1.1	2.4	(9.6)
1999	7.1	15.9	14.5	9.6	32.8	(0.1)	1.6	0.5	5.9	12.2
2000	6.0	0.2	8.2	1.9	128.7	3.4	74.2	0.3	7.4	8.7
2001	(5.1)	(8.2)	(15.0)	(6.6)	18.5	5.2	9.1	(16.0)	8.7	(2.9)
2002	8.9	7.8	(1.3)	0.2	(25.0)	(9.7)	(66.8)	13.3	(1.2)	2.5
2003	1.6	(0.4)	7.2	0.4	46.6	(5.4)	0.8	(2.9)	3.4	(2.9)
2004	10.8	9.1	(0.2)	4.5	8.9	18.4	29.5	(4.1)	5.0	(1.4)
2005	2.9	2.3	3.3	(2.1)	32.2	(2.2)	44.0	12.0	1.3	11.2
2006	0.2	(3.9)	(3.9)	0.9	(20.3)	(13.3)	11.3	(9.1)	(1.8)	11.6
2007	(10.6)	(9.5)	-	(8.2)	(3.0)	12.0	(6.3)	16.6	1.5	(7.7)
2008	(23.2)	(15.9)	(13.2)	(8.8)	33.6	0.9	31.9	(8.0)	5.9	(1.2)
2009	(18.9)	(20.1)	(13.8)	(16.9)	(55.5)	(19.0)	(24.1)	(1.5)	0.1	(2.5)
2010	17.0	29.7	20.2	(22.6)	9.9	22.9	27.5	(1.3)	0.9	24.8
2011	5.9	9.9	5.6	(4.2)	9.2	5.3	25.3	7.8	5.5	(6.9)
2012	2.6	(2.1)	(1.3)	(7.0)	(30.9)	4.9	(12.9)	6.2	5.8	(8.0)
2013	2.9	4.3	(3.3)	(1.7)	36.9	8.2	(9.1)	(7.8)	1.3	3.6
2014	(1.3)	(6.6)	(0.0)	1.1	49.6	-	(4.2)	(1.2)	5.4	11.2
2015	3.3	3.5	0.6	(12.8)	(49.5)	-	(9.2)	7.1	5.0	2.7
2016	2.7	(3.6)	(2.2)	(8.7)	(13.1)	-	8.4	(2.8)	(2.2)	33.3
2017	(3.5)	(2.6)	(0.2)	(1.5)	28.8	-	36.9	6.9	4.0	0.5
2018	(3.7)	5.3	(3.0)	(7.5)	19.8	-	6.6	(6.4)	6.5	9.1
2019	(21.8)	(20.1)	0.2	(5.4)	(10.0)	-	(9.3)	(7.2)	13.8	(13.3)
2020	(7.3)	(4.8)	(4.2)	(41.1)	(6.0)	-	(8.5)	9.5	0.8	(9.6)
2021	2.7	2.1	(5.4)	39.9	133.7	-	58.9	4.6	5.3	14.9
2022	(14.6)	(9.6)	(11.0)	(14.1)	81.7	-	-	-	12.6	-

¹ Total lumber production is total softwood production.

² Values as reported in the *2022 British Columbia Financial and Economic Review* due to a significant methodological change from the source.

Sources: Statistics Canada (Table: 16-10-0017-01, 25-10-0046-01, 25-10-0021-01, 32-10-0045-01 - accessed June 2023);

Ministry of Agriculture and Food; Ministry of Energy, Mines and Low Carbon Innovation; Ministry of Forests; Natural Resources Canada; Haver Analytics; and BC Stats.

Table A1.2 British Columbia Real GDP at Market Prices, Expenditure Based

	Household Final Consumption Expenditure	General Governments Final Consumption Expenditure	Residential Structures	Non- residential Structures	Machinery and Equipment	Intellectual Property Products	Business Gross Fixed Capital Formation	General Governments Gross Fixed Capital Formation	Exports	Imports	Real GDP
	(millions of 2012 \$, chained)										
1981	57,254	25,432	8,426	9,830	2,233	623	19,304	2,914	30,775	32,148	104,634
1982	54,284	25,819	6,252	8,136	1,816	477	15,312	2,623	29,217	28,134	97,936
1983	54,543	25,571	6,633	8,661	1,353	509	14,745	2,878	30,779	30,165	98,655
1984	55,969	25,561	6,305	7,504	1,452	610	14,082	2,945	32,978	32,694	99,550
1985	58,030	26,191	6,817	7,055	1,642	645	14,661	3,593	36,256	33,754	106,567
1986	59,253	26,429	7,509	5,489	1,564	628	13,838	3,249	38,048	35,006	107,559
1987	62,383	26,740	8,934	5,753	1,913	681	15,979	3,467	41,273	37,988	114,142
1988	65,379	28,017	9,955	6,896	2,567	879	19,300	3,200	43,541	41,126	120,448
1989	69,152	28,373	11,457	7,674	3,081	983	22,273	4,089	42,822	45,022	124,256
1990	72,042	29,403	11,655	7,464	3,113	1,227	22,583	4,080	42,344	46,941	126,129
1991	72,471	31,073	11,010	7,890	3,191	1,231	22,520	4,626	43,018	47,386	126,535
1992	74,713	32,140	13,535	6,166	3,185	1,229	23,455	4,638	45,157	49,588	130,049
1993	77,151	32,588	13,875	5,649	3,091	1,603	23,560	4,728	46,950	49,290	136,155
1994	80,289	32,870	13,955	6,879	3,510	2,315	25,912	5,438	50,039	57,258	139,733
1995	82,775	32,306	12,270	7,541	3,587	1,825	24,600	5,053	53,082	57,974	143,402
1996	85,806	32,946	12,459	6,661	3,675	1,841	24,294	5,434	53,351	57,506	147,052
1997	89,016	32,876	13,071	8,876	4,066	1,946	27,333	4,729	55,463	61,586	151,968
1998	90,175	33,385	11,314	6,781	4,496	2,408	25,452	4,532	56,944	60,891	153,811
1999	92,443	33,624	10,499	7,527	4,517	2,077	25,097	5,332	61,911	64,595	159,162
2000	95,344	34,897	10,563	7,289	4,897	2,513	26,065	5,403	67,308	69,598	166,405
2001	97,251	36,032	11,629	8,404	4,811	3,164	28,386	5,458	66,794	69,764	167,541
2002	100,887	36,560	13,554	7,875	4,681	2,704	28,868	5,212	67,270	69,848	174,214
2003	104,235	36,720	14,601	8,599	4,693	3,238	30,948	5,443	69,226	73,588	178,240
2004	108,952	36,511	17,112	9,487	5,274	3,697	35,317	6,299	72,828	79,354	185,250
2005	113,429	36,946	18,352	9,974	6,342	3,941	38,637	7,517	76,457	84,079	194,460
2006	120,181	37,399	19,671	11,813	7,355	4,181	43,107	7,778	79,417	90,710	203,053
2007	126,699	39,404	20,099	11,191	8,044	4,863	44,436	8,093	81,168	95,697	209,419
2008	129,782	40,961	19,096	12,832	8,067	5,102	45,183	8,551	78,546	96,459	210,903
2009	130,162	41,455	17,460	11,376	6,129	4,188	39,098	8,571	73,286	89,411	205,878
2010	135,142	41,761	17,494	12,170	7,237	4,611	41,533	9,222	79,025	97,377	211,749
2011	137,998	42,612	17,987	13,734	7,500	4,657	43,876	7,334	82,874	100,829	218,203
2012	140,749	43,344	19,282	14,937	7,812	4,134	46,165	8,041	85,442	104,682	223,329
2013	144,336	43,347	19,396	14,618	7,182	4,243	45,442	7,339	88,297	105,680	228,310
2014	149,395	42,520	20,558	16,070	7,814	4,030	48,478	7,817	94,851	111,054	236,696
2015	155,326	43,451	22,528	14,103	6,832	3,367	46,833	7,694	94,041	109,916	241,509
2016	160,338	44,179	25,916	12,661	7,744	3,420	49,843	7,859	97,054	115,448	248,262
2017	167,984	45,171	25,970	14,297	8,036	3,580	51,910	8,520	99,738	121,506	257,724
2018	173,566	46,601	25,551	14,310	8,633	4,224	52,675	9,579	103,531	125,933	266,882
2019	176,378	47,874	24,876	19,758	9,641	4,900	58,791	9,663	105,851	131,208	273,941
2020	170,129	49,720	25,691	21,428	7,804	4,784	59,335	10,033	95,976	123,432	265,831
2021	182,479	53,629	29,447	22,514	8,240	5,143	65,131	11,603	99,016	136,118	282,111
2022	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a



Table A1.2 British Columbia Real GDP at Market Prices, Expenditure Based (*continued*)

	Household Final Consumption Expenditure	General Governments Final Consumption Expenditure	Residential Structures	Non- residential Structures	Machinery and Equipment	Intellectual Property Products	Business Gross Fixed Capital Formation	General Governments Gross Fixed Capital Formation	Exports	Imports	Real GDP
	(5.2)	1.5	(25.8)	(17.2)	(18.7)	(23.4)	(20.7)	(10.0)	(5.1)	(12.5)	(6.4)
1982	0.5	(1.0)	6.1	6.5	(25.5)	6.7	(3.7)	9.7	5.3	7.2	0.7
1983	2.6	(0.0)	(4.9)	(13.4)	7.3	19.8	(4.5)	2.3	7.1	8.4	0.9
1984	3.7	2.5	8.1	(6.0)	13.1	5.7	4.1	22.0	9.9	3.2	7.0
1985	2.1	0.9	10.2	(22.2)	(4.8)	(2.6)	(5.6)	(9.6)	4.9	3.7	0.9
1986	5.3	1.2	19.0	4.8	22.3	8.4	15.5	6.7	8.5	8.5	6.1
1987	4.8	4.8	11.4	19.9	34.2	29.1	20.8	(7.7)	5.5	8.3	5.5
1988	5.8	1.3	15.1	11.3	20.0	11.8	15.4	27.8	(1.7)	9.5	3.2
1989	4.2	3.6	1.7	(2.7)	1.0	24.8	1.4	(0.2)	(1.1)	4.3	1.5
1990	0.6	5.7	(5.5)	5.7	2.5	0.3	(0.3)	13.4	1.6	0.9	0.3
1991	3.1	3.4	22.9	(21.9)	(0.2)	(0.2)	4.2	0.3	5.0	4.6	2.8
1992	3.3	1.4	2.5	(8.4)	(3.0)	30.4	0.4	1.9	4.0	(0.6)	4.7
1993	4.1	0.9	0.6	21.8	13.6	44.4	10.0	15.0	6.6	16.2	2.6
1994	3.1	(1.7)	(12.1)	9.6	2.2	(21.2)	(5.1)	(7.1)	6.1	1.3	2.6
1995	3.7	2.0	1.5	(11.7)	2.5	0.9	(1.2)	7.5	0.5	(0.8)	2.5
1996	3.7	(0.2)	4.9	33.3	10.6	5.7	12.5	(13.0)	4.0	7.1	3.3
1997	1.3	1.5	(13.4)	(23.6)	10.6	23.7	(6.9)	(4.2)	2.7	(1.1)	1.2
1998	2.5	0.7	(7.2)	11.0	0.5	(13.7)	(1.4)	17.7	8.7	6.1	3.5
1999	3.1	3.8	0.6	(3.2)	8.4	21.0	3.9	1.3	8.7	7.7	4.6
2000	2.0	3.3	10.1	15.3	(1.8)	25.9	8.9	1.0	(0.8)	0.2	0.7
2001	3.7	1.5	16.6	(6.3)	(2.7)	(14.5)	1.7	(4.5)	0.7	0.1	4.0
2002	3.3	0.4	7.7	9.2	0.3	19.7	7.2	4.4	2.9	5.4	2.3
2003	4.5	(0.6)	17.2	10.3	12.4	14.2	14.1	15.7	5.2	7.8	3.9
2004	4.1	1.2	7.2	5.1	20.3	6.6	9.4	19.3	5.0	6.0	5.0
2005	6.0	1.2	7.2	18.4	16.0	6.1	11.6	3.5	3.9	7.9	4.4
2006	5.4	5.4	2.2	(5.3)	9.4	16.3	3.1	4.0	2.2	5.5	3.1
2007	2.4	4.0	(5.0)	14.7	0.3	4.9	1.7	5.7	(3.2)	0.8	0.7
2008	0.3	1.2	(8.6)	(11.3)	(24.0)	(17.9)	(13.5)	0.2	(6.7)	(7.3)	(2.4)
2009	3.8	0.7	0.2	7.0	18.1	10.1	6.2	7.6	7.8	8.9	2.9
2010	2.1	2.0	2.8	12.9	3.6	1.0	5.6	(20.5)	4.9	3.5	3.0
2011	2.0	1.7	7.2	8.8	4.2	(11.2)	5.2	9.6	3.1	3.8	2.3
2012	2.5	0.0	0.6	(2.1)	(8.1)	2.6	(1.6)	(8.7)	3.3	1.0	2.2
2013	3.5	(1.9)	6.0	9.9	8.8	(5.0)	6.7	6.5	7.4	5.1	3.7
2014	4.0	2.2	9.6	(12.2)	(12.6)	(16.5)	(3.4)	(1.6)	(0.9)	(1.0)	2.0
2015	3.2	1.7	15.0	(10.2)	13.3	1.6	6.4	2.1	3.2	5.0	2.8
2016	4.8	2.2	0.2	12.9	3.8	4.7	4.1	8.4	2.8	5.2	3.8
2017	3.3	3.2	(1.6)	0.1	7.4	18.0	1.5	12.4	3.8	3.6	3.6
2018	1.6	2.7	(2.6)	38.1	11.7	16.0	11.6	0.9	2.2	4.2	2.6
2019	(3.5)	3.9	3.3	8.5	(19.1)	(2.4)	0.9	3.8	(9.3)	(5.9)	(3.0)
2020	7.3	7.9	14.6	5.1	5.6	7.5	9.8	15.6	3.2	10.3	6.1
2021	-	-	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-	-	-

Source: Statistics Canada (Table 36-10-0222-01 – accessed April 2023).

Table A1.3 British Columbia GDP at Basic Prices, by Industry

	Crop and Animal Production	Fishing, Hunting and Trapping	Forestry and Logging	Support Activities for Agriculture and Forestry	Mining, Quarrying Oil and Gas Extraction	Manufacturing	Construction (millions of 2012 \$, chained)	Utilities	Transportation and Warehousing	Wholesale and Retail Trade	Finance and Insurance	Real Estate and Rental and Leasing	Other Services ¹	Public Administration	Real GDP at Basic Prices
1997	1,548	317	2,299	708	7,146	11,247	10,208	3,277	8,152	12,424	8,554	21,233	45,749	9,304	141,853
1998	1,609	212	2,334	737	7,024	11,101	9,125	3,422	8,203	13,027	8,103	21,783	47,359	9,320	143,234
1999	1,722	165	2,195	695	7,163	12,603	8,993	3,647	8,460	13,287	8,682	22,453	47,952	9,641	147,986
2000	1,677	182	2,039	783	7,897	14,789	8,823	4,252	9,019	13,874	8,468	23,086	49,409	9,836	154,966
2001	1,978	151	2,013	723	8,856	13,713	8,971	3,038	8,997	14,356	8,371	23,815	50,472	10,038	155,831
2002	1,950	187	2,057	659	8,158	13,748	9,566	3,706	9,126	15,111	8,545	25,241	52,793	10,473	161,762
2003	2,086	184	2,036	706	8,015	13,934	10,337	3,642	9,166	15,690	8,848	26,011	54,213	10,421	165,800
2004	2,217	205	2,306	671	8,392	15,050	11,639	3,659	9,461	16,341	9,349	26,909	55,273	10,464	172,580
2005	2,292	196	2,290	693	9,382	15,719	12,582	4,139	10,257	17,084	9,650	28,230	57,119	10,467	180,855
2006	2,375	218	2,188	678	9,410	16,602	13,777	3,511	10,357	18,284	10,604	29,385	60,086	10,986	189,186
2007	2,503	174	2,055	694	8,196	16,438	14,616	4,384	10,414	19,389	11,112	30,979	62,279	11,291	194,683
2008	2,411	149	1,813	599	8,429	15,122	15,384	4,373	10,197	19,324	10,863	31,654	63,339	11,925	195,789
2009	2,529	156	1,248	604	7,548	13,029	14,532	4,282	10,196	18,413	10,683	32,807	62,136	12,619	190,709
2010	2,581	181	1,533	621	8,587	13,798	14,895	4,143	10,433	19,032	11,170	33,943	62,064	12,779	195,819
2011	2,656	172	1,814	694	9,218	14,272	14,987	4,529	10,749	19,375	11,470	34,980	63,356	13,015	201,413
2012	2,655	150	1,860	678	8,942	14,693	16,797	4,587	10,983	20,058	11,404	36,365	64,681	12,736	206,591
2013	2,810	172	2,011	670	9,188	14,623	16,699	4,507	11,534	21,065	11,821	37,657	66,167	12,666	211,555
2014	2,792	196	1,977	702	9,729	15,427	18,167	4,554	12,154	21,480	12,110	39,164	68,203	12,473	219,061
2015	2,973	195	1,970	733	9,423	15,845	18,108	4,805	12,624	21,627	12,569	40,757	69,803	12,607	224,153
2016	2,921	174	1,807	721	9,668	16,517	18,322	5,023	12,847	22,551	13,010	42,387	71,929	12,754	230,764
2017	2,927	165	1,841	754	9,816	16,769	19,641	5,032	14,190	23,351	13,902	43,611	74,165	12,911	239,206
2018	3,037	163	1,977	833	10,535	16,971	21,006	4,887	14,518	24,044	14,357	45,084	77,316	13,317	248,163
2019	3,139	125	1,523	819	9,818	16,765	23,107	4,852	14,891	24,591	14,569	46,871	80,521	13,549	255,172
2020	3,095	119	1,626	802	10,032	15,850	23,913	4,905	11,914	24,247	14,938	48,625	74,172	13,342	247,185
2021	3,144	125	1,498	870	11,511	16,282	25,526	4,956	12,150	25,991	15,490	51,121	80,264	14,076	262,593
2022	3,130	112	1,358	870	11,701	16,792	27,000	5,174	13,386	25,547	15,639	51,510	85,445	14,667	272,009

¹ Other Services includes health care and social assistance, professional, scientific and technical services, educational services, information and cultural industries, accommodation and food services, administrative and support, waste management and remediation services, arts, entertainment and recreation, management of companies and enterprises, and other services (except public administration).



Table A1.3 British Columbia GDP at Basic Prices, by Industry (continued)

	Crop and Animal Production	Fishing, Hunting and Trapping	Forestry and Logging	Support Activities for Agriculture and Forestry	Mining, Quarrying Oil and Gas Extraction	Manufacturing	Construction (annual percentage change)	Utilities	Transportation and Warehousing	Wholesale and Retail Trade	Finance and Insurance	Real Estate and Rental and Leasing	Other Services ¹	Public Administration	Real GDP at Basic Prices
1998	4.0	(33.2)	1.5	4.1	(1.7)	(1.3)	(10.6)	4.4	0.6	4.9	(5.3)	2.6	3.5	0.2	1.0
1999	7.0	(22.2)	(6.0)	(5.7)	2.0	13.5	(1.4)	6.6	3.1	2.0	7.1	3.1	1.3	3.4	3.3
2000	(2.6)	10.5	(7.1)	12.7	10.3	17.3	(1.9)	16.6	6.6	4.4	(2.5)	2.8	3.0	2.0	4.7
2001	18.0	(17.1)	(1.3)	(7.6)	12.1	(7.3)	1.7	(28.5)	(0.2)	3.5	(1.1)	3.2	2.2	2.0	0.6
2002	(1.4)	24.0	2.2	(8.8)	(7.9)	0.3	6.6	22.0	1.4	5.3	2.1	6.0	4.6	4.3	3.8
2003	7.0	(1.7)	(1.0)	7.1	(1.8)	1.4	8.1	(1.7)	0.4	3.8	3.5	3.1	2.7	(0.5)	2.5
2004	6.3	11.4	13.3	(5.1)	4.7	8.0	12.6	0.5	3.2	4.1	5.7	3.5	2.0	0.4	4.1
2005	3.4	(4.6)	(0.7)	3.3	11.8	4.4	8.1	13.1	8.4	4.5	3.2	4.9	3.3	0.0	4.8
2006	3.6	11.6	(4.5)	(2.2)	0.3	5.6	9.5	(15.2)	1.0	7.0	9.9	4.1	5.2	5.0	4.6
2007	5.4	(20.1)	(6.1)	2.4	(12.9)	(1.0)	6.1	24.9	0.5	6.0	4.8	5.4	3.7	2.8	2.9
2008	(3.7)	(14.3)	(11.8)	(13.7)	2.8	(8.0)	5.3	(0.3)	(2.1)	(0.3)	(2.2)	2.2	1.7	5.6	0.6
2009	4.9	4.4	(31.2)	0.9	(10.5)	(13.8)	(5.5)	(2.1)	(0.0)	(4.7)	(1.6)	3.6	(1.9)	5.8	(2.6)
2010	2.1	15.9	22.9	2.7	13.8	5.9	2.5	(3.3)	2.3	3.4	4.6	3.5	(0.1)	1.3	2.7
2011	2.9	(5.1)	18.3	11.8	7.3	3.4	0.6	9.3	3.0	1.8	2.7	3.1	2.1	1.8	2.9
2012	(0.0)	(12.8)	2.6	(2.3)	(3.0)	3.0	12.1	1.3	2.2	3.5	(0.6)	4.0	2.1	(2.1)	2.6
2013	5.8	15.2	8.1	(1.2)	2.8	(0.5)	(0.6)	(1.7)	5.0	5.0	3.7	3.6	2.3	(0.5)	2.4
2014	(0.6)	13.5	(1.7)	4.7	5.9	5.5	8.8	1.0	5.4	2.0	2.4	4.0	3.1	(1.5)	3.5
2015	6.5	(0.1)	(0.4)	4.5	(3.1)	2.7	(0.3)	5.5	3.9	0.7	3.8	4.1	2.3	1.1	2.3
2016	(1.7)	(11.0)	(8.3)	(1.7)	2.6	4.2	1.2	4.5	1.8	4.3	3.5	4.0	3.0	1.2	2.9
2017	0.2	(5.3)	1.9	4.5	1.5	1.5	7.2	0.2	10.5	3.5	6.9	2.9	3.1	1.2	3.7
2018	3.8	(0.9)	7.4	10.6	7.3	1.2	6.9	(2.9)	2.3	3.0	3.3	3.4	4.2	3.1	3.7
2019	3.4	(23.2)	(22.9)	(1.7)	(6.8)	(1.2)	10.0	(0.7)	2.6	2.3	1.5	4.0	4.1	1.7	2.8
2020	(1.4)	(5.3)	6.7	(2.1)	2.2	(5.5)	3.5	1.1	(20.0)	(1.4)	2.5	3.7	(7.9)	(1.5)	(3.1)
2021	1.6	4.9	(7.9)	8.4	14.7	2.7	6.7	1.0	2.0	7.2	3.7	5.1	8.2	5.5	6.2
2022	(0.4)	(10.0)	(9.3)	(0.0)	1.7	3.1	5.8	4.4	10.2	(1.7)	1.0	0.8	6.5	4.2	3.6

¹ Other Services includes health care and social assistance, professional, scientific and technical services, educational services, information and cultural industries, accommodation and food services, administrative and support, waste management and remediation services, arts, entertainment and recreation, management of companies and enterprises, and other services (except public administration).

Source: Statistics Canada (Table: 36-10-0402-01 – accessed May 2023).

Table A1.4 British Columbia GDP, Income Based

	Compensation of Employees*	Gross Operating Surplus	Net Operating Surplus: Corporations	Consumption of Fixed Capital: Corporations	Consumption of Fixed Capital: Government & NPIISH	Gross Mixed Income	Net Mixed Income	Consumption of Fixed Capital: Unincorporated Businesses	Taxes less subsidies on Production	Taxes less subsidies on Products & Imports	Statistical Discrepancy	GDP at Market Prices
	(\$ millions)											
1981	25,637	9,026	3,226	4,635	1,165	6,394	4,913	1,481	2,158	3,165	216	46,596
1982	26,496	7,620	1,089	5,227	1,304	6,990	5,354	1,637	2,395	2,893	206	46,600
1983	27,018	9,080	2,334	5,374	1,372	7,446	5,732	1,714	2,847	2,884	54	49,329
1984	27,811	10,459	3,563	5,480	1,416	8,010	6,145	1,865	2,509	3,258	(260)	51,788
1985	29,101	11,850	4,746	5,636	1,468	8,824	6,843	1,981	2,531	3,699	(217)	55,788
1986	30,339	12,298	4,927	5,788	1,583	9,581	7,543	2,038	2,532	4,506	(302)	58,954
1987	32,837	14,358	6,902	5,858	1,598	10,290	8,103	2,187	2,607	5,152	(97)	65,147
1988	36,110	15,750	7,807	6,161	1,782	11,259	8,903	2,356	2,726	5,568	682	72,095
1989	40,296	16,007	7,385	6,694	1,928	12,432	9,827	2,605	2,888	6,697	123	78,443
1990	44,216	14,530	5,152	7,231	2,147	13,549	10,718	2,831	3,035	6,800	244	82,374
1991	46,296	13,330	3,871	7,304	2,155	14,555	11,560	2,995	2,964	7,593	237	84,975
1992	48,924	13,342	3,411	7,622	2,309	15,450	12,274	3,176	3,472	8,389	938	90,515
1993	51,312	15,377	5,079	7,926	2,372	16,133	12,698	3,435	3,952	9,112	1,335	97,221
1994	53,972	19,431	8,420	8,483	2,528	17,118	13,463	3,655	4,234	8,830	13	103,598
1995	56,768	21,649	9,975	9,011	2,663	17,851	14,052	3,799	4,268	9,242	(575)	109,203
1996	58,517	21,917	9,715	9,409	2,793	18,321	14,394	3,927	4,377	9,476	(68)	112,540
1997	60,781	24,129	11,400	9,759	2,970	18,704	14,700	4,004	4,665	10,211	96	118,585
1998	62,120	23,496	9,822	10,617	3,057	19,467	15,302	4,166	4,786	10,346	(441)	119,775
1999	64,216	25,733	11,594	10,972	3,167	20,272	16,061	4,211	4,919	10,676	(158)	125,658
2000	68,591	30,979	16,192	11,403	3,384	20,843	16,470	4,373	4,974	11,063	(39)	136,411
2001	70,309	30,003	14,546	11,966	3,491	22,099	17,467	4,633	5,076	11,312	16	138,815
2002	72,951	30,307	14,491	12,229	3,587	23,426	18,541	4,885	5,009	12,408	(108)	143,993
2003	75,268	33,813	17,612	12,514	3,687	24,741	19,781	4,960	5,122	13,108	(93)	151,958
2004	80,071	39,402	22,503	13,004	3,895	26,253	21,053	5,199	5,388	13,491	(5)	164,600
2005	85,336	43,994	25,971	13,824	4,199	27,827	22,337	5,490	5,679	14,219	142	177,197
2006	93,392	46,643	26,833	15,187	4,623	29,526	23,736	5,790	5,959	14,881	78	190,479
2007	98,459	47,607	25,901	16,597	5,109	31,784	25,438	6,345	6,505	15,799	287	200,440
2008	102,318	49,897	25,892	18,259	5,746	32,435	25,604	6,830	6,812	14,756	210	206,427
2009	100,375	41,901	17,293	18,789	5,819	33,771	26,845	6,925	7,038	14,969	125	198,179
2010	102,621	45,534	20,992	18,561	5,981	35,494	28,408	7,086	7,338	15,870	134	206,990
2011	106,845	51,238	25,450	19,437	6,351	36,872	29,536	7,336	7,216	16,493	107	218,771
2012	110,128	50,606	23,422	20,589	6,595	38,645	31,069	7,576	7,332	16,611	6	223,328
2013	114,300	51,647	23,263	21,550	6,834	40,286	32,361	7,925	8,129	16,784	(165)	230,981
2014	118,452	56,480	26,944	22,450	7,086	42,286	34,193	8,093	8,603	18,012	39	243,872
2015	123,805	55,116	23,835	23,883	7,398	43,935	35,527	8,408	8,736	19,057	135	250,784
2016	127,866	60,562	28,372	24,554	7,636	46,030	37,237	8,793	9,073	20,593	(212)	263,912
2017	135,921	66,610	33,638	25,035	7,937	47,982	38,543	9,439	9,625	22,062	83	282,283
2018	144,465	68,766	34,157	26,183	8,426	50,435	40,414	10,021	10,667	22,997	62	297,392
2019	152,568	66,468	29,607	27,923	8,938	54,606	44,074	10,532	12,700	22,812	(161)	308,993
2020	152,704	73,798	35,315	29,278	9,205	56,355	45,319	11,036	3,474	20,551	65	306,947
2021	171,837	85,664	44,601	31,247	9,816	59,977	47,499	12,478	8,785	24,346	(11)	350,598
2022	-	-	-	-	-	-	-	-	-	-	-	-

* Component of income-based GDP, including wages, salaries and employers' social contributions earned in B.C. by residents and non-residents of the province.



Table A1.4 British Columbia GDP, Income Based (continued)

	Compensation of Employees*	Gross Operating Surplus	Net Operating Surplus: Corporations	Consumption of Fixed Capital: Corporations	Consumption of Fixed Capital: Government & NPISH (annual percentage change)	Gross Mixed Income	Net Mixed Income	Consumption of Fixed Capital: Unincorporated Businesses	Taxes less subsidies on Production	Taxes less subsidies on Products & Imports	Statistical Discrepancy	GDP at Market Prices
1982	3.4	(15.6)	(66.2)	12.8	11.9	9.3	9.0	10.5	11.0	(8.6)	(4.6)	0.0
1983	2.0	19.2	114.3	2.8	5.2	6.5	7.1	4.7	18.9	(0.3)	(73.8)	5.9
1984	2.9	15.2	52.7	2.0	3.2	7.6	7.2	8.8	(11.9)	13.0	(581.5)	5.0
1985	4.6	13.3	33.2	2.8	3.7	10.2	11.4	6.2	0.9	13.5	(16.5)	7.7
1986	4.3	3.8	3.8	2.7	7.8	8.6	10.2	2.9	0.0	21.8	39.2	5.7
1987	8.2	16.8	40.1	1.2	0.9	7.4	7.4	7.3	3.0	14.3	(67.9)	10.5
1988	10.0	9.7	13.1	5.2	11.5	9.4	9.9	7.7	4.6	8.1	(803.1)	10.7
1989	11.6	1.6	(5.4)	8.7	8.2	10.4	10.4	10.6	5.9	20.3	(82.0)	8.8
1990	9.7	(9.2)	(30.2)	8.0	11.4	9.0	9.1	8.7	5.1	1.5	98.4	5.0
1991	4.7	(8.3)	(24.9)	1.0	0.4	7.4	7.9	5.8	(2.3)	11.7	(2.9)	3.2
1992	5.7	0.1	(11.9)	4.4	7.1	6.1	6.2	6.0	17.1	10.5	295.8	6.5
1993	4.9	15.3	48.9	4.0	2.7	4.4	3.5	8.2	13.8	8.6	42.3	7.4
1994	5.2	26.4	65.8	7.0	6.6	6.1	6.0	6.4	7.1	(3.1)	(99.0)	6.6
1995	5.2	11.4	18.5	6.2	5.3	4.3	4.4	3.9	0.8	4.7	(4,523.1)	5.4
1996	3.1	1.2	(2.6)	4.4	4.9	2.6	2.4	3.4	2.6	2.5	(88.2)	3.1
1997	3.9	10.1	17.3	3.7	6.3	2.1	2.1	2.0	6.6	7.8	(241.2)	5.4
1998	2.2	(2.6)	(13.8)	8.8	2.9	4.1	4.1	4.0	2.6	1.3	(559.4)	1.0
1999	3.4	9.5	18.0	3.3	3.6	4.1	5.0	1.1	2.8	3.2	(64.2)	4.9
2000	6.8	20.4	39.7	3.9	6.9	2.8	2.5	3.8	1.1	3.6	(75.3)	8.6
2001	2.5	(3.2)	(10.2)	4.9	3.2	6.0	6.1	5.9	2.1	2.3	(141.0)	1.8
2002	3.8	1.0	(0.4)	2.2	2.7	6.0	6.1	5.4	(1.3)	9.7	(775.0)	3.7
2003	3.2	11.6	21.5	2.3	2.8	5.6	6.7	1.5	2.3	5.6	(13.9)	5.5
2004	6.4	16.5	27.8	3.9	5.6	6.1	6.4	4.8	5.2	2.9	(94.6)	8.3
2005	6.6	11.7	15.4	6.3	7.8	6.0	6.1	5.6	5.4	5.4	(2,940.0)	7.7
2006	9.4	6.0	3.3	9.9	10.1	6.1	6.3	5.5	4.9	4.7	(45.1)	7.5
2007	5.4	2.1	(3.5)	9.3	10.5	7.6	7.2	9.6	9.2	6.2	267.9	5.2
2008	3.9	4.8	(0.0)	10.0	12.5	2.0	0.7	7.6	4.7	(6.6)	(26.8)	3.0
2009	(1.9)	(16.0)	(33.2)	2.9	1.3	4.1	4.8	1.4	3.3	1.4	(40.5)	(4.0)
2010	2.2	8.7	21.4	(1.2)	2.8	5.1	5.8	2.3	4.3	6.0	7.2	4.4
2011	4.1	12.5	21.2	4.7	6.2	3.9	4.0	3.5	(1.7)	3.9	(20.1)	5.7
2012	3.1	(1.2)	(8.0)	5.9	3.8	4.8	5.2	3.3	1.6	0.7	(94.4)	2.1
2013	3.8	2.1	(0.7)	4.7	3.6	4.2	4.2	4.6	10.9	1.0	(2,850.0)	3.4
2014	3.6	9.4	15.8	4.2	3.7	5.0	5.7	2.1	5.8	7.3	(123.6)	5.6
2015	4.5	(2.4)	(11.5)	6.4	4.4	3.9	3.9	3.9	1.5	5.8	246.2	2.8
2016	3.3	9.9	19.0	2.8	3.2	4.8	4.8	4.6	3.9	8.1	(257.0)	5.2
2017	6.3	10.0	18.6	2.0	3.9	4.2	3.5	7.3	6.1	7.1	(139.2)	7.0
2018	6.3	3.2	1.5	4.6	6.2	5.1	4.9	6.2	10.8	4.2	(25.3)	5.4
2019	5.6	(3.3)	(13.3)	6.6	6.1	8.3	9.1	5.1	19.1	(0.8)	(359.7)	3.9
2020	0.1	11.0	19.3	4.9	3.0	3.2	2.8	4.8	(72.6)	(9.9)	(140.4)	(0.7)
2021	12.5	16.1	26.3	6.7	6.6	6.4	4.8	13.1	152.9	18.5	(116.9)	14.2
2022	-	-	-	-	-	-	-	-	-	-	-	-

* Component of income-based GDP, including wages, salaries and employers' social contributions earned in B.C. by residents and non-residents of the province.
Source: Statistics Canada (Table: 36-10-0221-01 – accessed April 2023).

Table A1.5 Employment by Industry in British Columbia

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total – all industries	1,952	1,998	2,028	2,090	2,153	2,211	2,244	2,202	(thousands) 2,222	2,235	2,296	2,322	2,349	2,389	2,468	2,560	2,606	2,678	2,509	2,664	2,748
Primary industries	67	78	72	76	79	82	78	71	70	67	71	77	78	79	74	77	74	71	71	70	72
Agriculture	30	33	36	38	35	35	36	31	29	24	24	27	25	26	23	24	24	24	28	21	24
Forestry, logging & support activities	25	27	22	22	21	24	16	13	16	15	17	19	20	22	19	19	17	16	16	18	18
Fishing, hunting & trapping	3	5	3	2	3	3	2	2	2	2	2	2	2	2	2	3	2	3	2	2	2
Mining & oil & gas extraction	9	13	11	14	19	20	24	24	24	26	28	29	30	30	31	31	29	28	24	28	29
Manufacturing	198	207	208	193	190	190	180	161	164	165	174	159	168	177	178	184	181	173	168	183	184
Food, beverages & tobacco	27	31	31	31	24	27	30	29	27	29	31	27	29	35	38	35	39	37	35	38	41
Wood products	48	51	49	47	43	43	35	30	32	34	30	31	32	35	33	30	26	24	22	24	23
Paper	17	14	12	12	14	14	13	11	10	10	12	12	13	10	9	12	9	10	10	13	10
Printing & related support activities	9	8	8	8	8	6	8	7	6	8	8	7	6	9	5	7	8	4	2	5	5
Primary metals	6	9	7	7	6	6	5	6	8	6	6	6	3	5	3	4	6	7	7	6	7
Metal fabrication	13	14	15	18	14	15	16	13	13	12	15	11	12	17	14	14	13	13	10	12	10
Transportation equipment	14	12	12	9	9	12	10	10	9	9	12	9	10	8	9	10	12	10	10	12	15
Machinery manufacturing	10	9	10	10	9	8	6	6	7	9	10	10	9	8	11	10	9	12	8	13	12
Other manufacturing	55	58	66	53	62	61	58	49	53	49	51	47	54	50	55	62	61	57	63	60	61
Construction	117	118	142	166	184	198	211	199	197	203	203	213	209	212	220	240	247	250	227	227	236
General contractors	41	47	51	65	67	67	81	74	78	80	79	90	93	94	93	107	109	105	103	100	106
Special trade contractors	76	71	92	101	117	131	130	125	120	122	124	123	116	118	127	133	137	145	124	127	130
Utilities	11	11	9	10	7	8	11	11	11	11	13	13	14	14	13	12	15	14	18	18	15
Transportation & warehousing	110	115	113	116	116	125	130	115	113	120	129	128	141	144	141	141	144	147	135	146	143
Transportation	105	109	108	112	110	119	124	109	107	112	119	118	132	137	133	130	133	138	128	137	132
Warehousing & storage	5	6	5	5	7	7	6	6	6	8	9	9	10	7	8	11	11	9	7	10	11
Trade	319	326	313	330	348	360	355	367	374	352	345	375	371	363	384	396	401	421	389	402	434
Wholesale trade	72	76	66	79	83	80	87	87	83	77	81	83	83	86	95	88	88	94	91	88	94
Retail trade	246	249	248	251	265	280	268	280	290	275	264	292	288	277	289	308	313	327	298	314	340
Finance, Insurance, Real Estate & Leasing	124	126	128	131	134	139	143	135	137	137	143	149	150	141	151	167	166	168	170	169	162
Finance	57	60	55	59	59	65	63	58	66	53	65	64	68	63	68	72	72	73	75	65	67
Insurance	24	21	27	26	26	27	29	27	26	31	28	31	29	32	32	36	33	32	37	49	38
Real estate	32	35	35	34	39	37	40	40	36	44	44	46	44	39	43	52	55	55	51	46	50
Leasing	11	11	11	13	10	9	11	10	8	10	6	8	9	7	6	7	7	8	7	9	7
Public administration	90	95	99	93	88	90	97	105	105	107	103	107	109	107	112	105	109	122	121	138	137
Federal administration	33	37	35	32	34	33	36	38	43	44	44	37	36	40	40	38	35	44	41	52	51
Provincial administration	28	29	30	29	26	25	25	27	27	25	28	31	33	30	35	32	36	38	37	36	41
Local administration	29	29	35	32	28	32	36	40	36	38	31	38	39	37	37	36	38	40	43	50	45
Other service industries	918	924	944	974	1,007	1,020	1,040	1,040	1,050	1,073	1,116	1,103	1,110	1,151	1,196	1,239	1,270	1,313	1,210	1,311	1,365
Education & related services	137	137	132	143	152	152	148	153	157	157	167	165	167	170	172	172	169	177	173	186	201
Health & welfare services	211	214	217	213	226	234	239	254	262	255	264	261	269	286	298	310	328	328	322	352	369
Professional, scientific & technical	134	136	143	159	163	162	168	165	168	179	177	183	185	196	202	206	219	239	240	261	275
Information, culture & recreation	105	105	110	109	114	112	113	107	108	108	112	111	114	123	130	137	130	132	106	128	145
Services to business management	72	79	80	90	96	97	103	96	91	96	99	94	87	92	100	104	103	115	97	99	89
Accommodation & food services	163	159	170	172	169	177	174	169	167	180	187	184	186	177	185	195	201	202	173	177	184
Miscellaneous services	96	94	93	88	88	86	95	96	99	98	110	104	101	107	108	115	122	119	99	109	101

Source: Statistics Canada, Labour Force Survey (Table: 14-10-0023-01 and unpublished data – accessed April 2023). Totals may not add due to rounding.

Table A1.6 Capital Investment by Industry

	Actual 2017	Actual 2018	Actual 2019	Actual 2020	Actual 2021	Preliminary Actual 2022	Intentions 2023	2021 to 2022	2022 to 2023
				(\$ millions)					(per cent)
Agriculture, forestry, fishing and hunting	696.8	979.9	1,128.3	920.1	994.4	x	893.9	-	-
Mining, quarrying, and oil and gas extraction	6,250.8	4,449.5	4,558.3	2,893.6	4,844.0	5,365.0	6,324.5	10.8	17.9
Manufacturing	1,370.5	1,831.4	2,164.8	1,683.7	1,704.7	1,605.6	2,032.5	(5.8)	26.6
Construction	978.2	1,063.1	1,066.7	846.6	1,433.9	1,623.7	1,716.5	13.2	5.7
Transportation and warehousing	4,822.1	6,251.5	12,286.5	15,563.5	15,624.3	16,396.6	12,263.9	4.9	(25.2)
Utilities	3,535.0	4,203.6	4,944.5	5,319.2	5,486.8	6,594.7	6,440.4	20.2	(2.3)
Wholesale trade	421.4	514.5	697.2	x	x	x	595.2	-	-
Retail trade	713.9	x	932.7	860.1	x	x	969.1	-	-
Finance and insurance	250.6	318.6	394.9	323.1	308.7	264.8	317.2	(14.2)	19.8
Real estate, rental and leasing	1,629.1	1,953.4	2,472.1	1,704.0	2,093.0	2,184.7	1,994.7	4.4	(8.7)
Information and cultural industries	1,631.0	1,617.1	1,510.7	1,329.1	1,531.1	1,559.8	1,614.1	1.9	3.5
Professional, scientific and technical services	307.5	424.1	509.9	473.8	x	x	F	-	-
Management of companies and enterprises	F	x	62.4	x	x	x	34.1	-	-
Admin, waste and remediation services	200.8	220.5	F	x	F	x	266.2	-	-
Arts, entertainment and recreation	305.8	338.7	482.0	379.9	F	381.9	496.6	-	30.0
Accommodation and food services	581.3	721.2	751.7	501.2	430.1	F	611.5	-	-
Educational services	1,087.3	1,499.2	1,377.2	1,553.8	1,960.6	2,014.2	2,326.6	2.7	15.5
Health care and social assistance	1,050.7	1,158.5	1,067.2	1,272.4	2,072.0	2,810.0	3,086.8	35.6	9.9
Public administration	2,965.5	3,407.2	4,290.9	4,347.8	4,092.4	6,432.1	7,230.0	57.2	12.4
Other services	171.2	249.4	248.2	165.7	x	204.9	165.2	-	(19.4)
Total	28,999.9	32,037.9	41,257.4	40,874.1	45,413.5	51,620.3	49,930.7	13.7	(3.3)
Public	9,173.3	10,350.2	13,086.5	14,811.6	17,387.0	22,589.0	21,515.1	29.9	(4.8)
Private	19,826.6	21,687.8	28,170.9	26,062.5	28,026.4	29,031.3	28,415.6	3.6	(2.1)
Total	28,999.9	32,037.9	41,257.4	40,874.1	45,413.5	51,620.3	49,930.7	13.7	(3.3)
Machinery and equipment	10,183.1	11,714.3	13,277.0	10,525.6	11,755.1	12,621.3	13,306.4	7.4	5.4
Construction	18,816.8	20,323.6	27,980.4	30,348.6	33,658.4	38,999.0	36,624.3	15.9	(6.1)
Total	28,999.9	32,037.9	41,257.4	40,874.1	45,413.5	51,620.3	49,930.7	13.7	(3.3)
Housing	19,605.2	22,080.2	22,269.4	22,100.8	26,121.8	31,282.6	n/a	19.8	n/a

Source: Statistics Canada (Tables: 34-10-0035-01, 34-10-0038-01, 34-10-0175-01 – accessed April 2023).

x Suppressed to meet the confidentiality requirements of the *Statistics Act*.

F Too unreliable to be published.

Note: Totals may not add due to rounding or due to some data not being disclosed for confidentiality reasons.

Table A1.7 British Columbia International Goods Exports by Major Market and Selected Commodities, 2022

Commodity	U.S.	Japan	European Union ¹	Mainland China	Other Markets	Total - All Countries
			(\$ millions)			
Wood products	8,412	1,230	102	509	871	11,123
Lumber (softwood)	5,596	744	87	295	577	7,298
Cedar shakes and shingles	301	0	10	0	13	324
Plywood and veneer (softwood)	645	3	1	1	7	658
Other panel products	792	2	0	2	6	803
Selected value-added wood products	877	15	2	1	5	901
Logs	46	220	0	211	32	508
Other	155	246	1	0	231	632
Pulp and paper products	1,137	219	38	2,171	874	4,439
Pulp	524	218	36	2,049	761	3,588
Newsprint	36	0	0	5	26	68
Paper, paperboard – excluding newsprint	443	0	1	116	53	613
Other	134	0	1	1	34	170
Agriculture and food other than fish	3,720	164	63	112	501	4,561
Fruit and nuts	458	38	6	32	63	597
Vegetables	468	8	4	0	3	484
Vegetable oils	64	1	0	1	1	66
Bread, pastry, prepared cereals, pasta, etc.	565	3	2	1	5	577
Meat and prepared meat products	32	45	0	19	63	159
Other	2,132	68	51	60	366	2,678
Fish products	1,035	80	36	279	96	1,527
Whole fish; fresh, chilled, frozen – excluding salmon	83	12	25	17	39	176
Whole salmon; fresh, chilled, frozen	649	37	4	4	8	703
Salmon; fillets, canned, smoked, etc.	80	2	0	0	7	89
Other	223	29	6	258	42	558
Metallic mineral products	2,046	1,321	72	1,556	1,232	6,226
Copper ores and concentrates	0	1,311	37	1,345	1,034	3,728
Molybdenum ores and concentrates	35	0	14	0	0	49
Zinc ores and concentrates	0	0	0	0	118	118
Unwrought aluminium	749	0	0	0	0	750
Unwrought zinc	1,077	0	0	0	60	1,137
Unwrought lead	163	0	0	0	0	163
Other	22	9	21	210	19	282
Fabricated metal products	1,490	11	25	51	244	1,822
Energy products	12,274	2,752	1,187	3,135	4,967	24,314
Natural gas	7,723	0	0	0	0	7,723
Coal	219	2,716	1,186	3,123	4,648	11,893
Electricity	1,765	0	0	0	0	1,765
Other	2,567	35	0	13	319	2,934
Machinery and equipment	4,337	167	433	317	1,191	6,444
Motor vehicles and parts	468	1	9	79	155	712
Electrical/electronic/communications	974	95	171	61	310	1,610
Scientific/photographic/measuring equipment, etc.	553	37	116	124	310	1,139
Aircraft and parts	173	4	4	1	31	212
Other	2,169	30	133	53	386	2,770
Plastics and articles of plastic	705	2	14	91	180	992
Chemicals and chemical products	795	59	84	238	250	1,426
Apparel and accessories	39	2	4	6	4	55
Textiles	71	1	1	0	36	109
All other commodities	1,320	5	33	12	524	1,894
Total	37,380	6,011	2,092	8,478	10,970	64,930

¹ The European Union is the membership as of February 1, 2020: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, and Sweden.

Source: Statistics Canada, International Trade Statistics custom extract, May 2023. Figures may not add due to rounding.

Table A1.8 British Columbia International Goods Exports by Market Area

	2020	2021 (\$ millions)	2022	% Change 2021-2022	Percent of Total	
					2021 (per cent)	2022
United Kingdom	471	384	494	28.8	0.7	0.8
Germany	244	389	502	29.3	0.7	0.8
Mainland China	5,741	8,888	8,478	(4.6)	16.5	13.1
Hong Kong	193	189	215	13.6	0.4	0.3
Taiwan	747	1,143	1,062	(7.1)	2.1	1.6
Japan	3,573	4,839	6,011	24.2	9.0	9.3
South Korea	2,132	2,920	4,105	40.6	5.4	6.3
India	973	766	1,565	104.4	1.4	2.4
Australia	252	327	503	53.7	0.6	0.8
Mexico	135	100	179	79.6	0.2	0.3
United States	21,720	29,880	37,380	25.1	55.4	57.6
Other	3,424	4,090	4,435	8.4	7.6	6.8
Total	39,604	53,915	64,930	20.4	100.0	100.0
Market Areas:						
Western Europe ¹	2,006	2,143	2,428	13.3	4.0	3.7
Pacific Rim ²	13,706	19,763	21,774	10.2	36.7	33.5

1 Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

2 Australia, Brunei Darussalam, China, Fiji, Hong Kong, Indonesia, Japan, Laos, Macau, Malaysia, Mongolia, New Zealand, North Korea, Philippines, Singapore, South Korea, Taiwan, Thailand and Vietnam.

Source: Statistics Canada, International Trade Statistics custom extract, May 2023. Figures may not add due to rounding.

Table A1.9 Historical Commodity Prices (in US Dollars)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Metals											
Copper (London; \$/lb)	3.61	3.32	3.11	2.49	2.21	2.80	2.96	2.73	2.80	4.22	4.00
Lead (London; \$/lb)	0.93	0.97	0.95	0.81	0.85	1.05	1.02	0.91	0.83	1.00	0.98
Zinc (London; \$/lb)	0.88	0.86	0.98	0.87	0.95	1.31	1.33	1.16	1.03	1.36	1.58
Gold (London; \$/troy oz)	1,667	1,407	1,266	1,159	1,251	1,257	1,269	1,391	1,769	1,799	1,802
Silver (London; \$/troy oz)	31.12	23.72	19.07	15.68	17.16	17.05	15.71	16.19	20.50	25.14	21.80
Molybdenum (\$/lb)	12.80	10.33	11.40	6.74	6.56	7.21	10.52	11.34	8.62	16.07	18.45
Aluminum (London; \$/lb)	0.92	0.84	0.85	0.75	0.73	0.89	0.96	0.81	0.77	1.12	1.23
Forest Products											
Lumber (Madison's Lumber Reporter; WSPF, 2x4, \$/1000 bd ft)	300	358	354	282	308	409	500	372	567	881	814
Pulp (NBSK; del. China \$/tonne)	662	693	733	653	599	697	866	625	583	850	932
Newsprint (US Eastcoast; \$/tonne)	637	593	583	517	540	557	669	667	559	623	783
Cedar (Madison's Lumber Reporter 2x4, \$/1000 bd ft)	771	895	956	986	1,004	1,298	1,397	1,386	1,507	1,825	1,998
Other											
Oil (West Texas Intermediate; \$/barrel)	94	98	93	49	43	51	65	57	39	68	95
Natural Gas (Plant Inlet; \$/GJ)	1.35	2.04	3.12	1.37	0.99	1.14	0.79	0.79	0.96	2.23	4.08
Coal (Japan-Australia FOB \$/t) Metallurgical	204	155	124	101	112	201	207	183	136	183	347
Low Volatile PCI	153	125	104	84	88	142	146	131	97	138	292
Thermal	114	95	82	68	62	85	110	99	74	93	254

Sources: Ministry of Finance; Ministry of Energy, Mines and Low Carbon Innovation; Ministry of Forests; US Department of Energy.

Table A1.10 British Columbia Forest Sector Economic Activity Indicators

Indicator	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Change ¹ 2021-2022 (per cent)
Wood production						(million cubic meters)							
Lumber	28.4	29.2	30.0	29.6	30.6	31.4	30.3	29.2	22.8	21.2	21.7	18.6	(14.6)
Timber Scaled by species													
Lodgepole pine	29.8	27.7	26.7	23.4	24.1	20.3	15.9	15.1	11.1	10.1	9.0	6.8	(25.1)
Spruce	10.5	11.5	12.6	11.6	13.3	13.2	15.8	15.3	12.3	12.5	12.5	11.0	(12.1)
Hemlock	8.6	7.7	8.5	8.1	7.2	7.6	7.1	8.1	6.6	6.1	6.4	6.1	(3.7)
Douglas fir	9.2	8.9	9.8	10.1	9.7	10.7	10.9	13.3	11.0	9.9	11.5	10.9	(5.3)
Balsam	5.1	5.5	6.1	6.1	6.3	6.8	7.7	8.7	7.2	7.4	7.2	7.0	(3.0)
Cedar	3.7	4.3	4.6	4.4	4.8	4.9	4.2	4.4	3.7	3.7	3.6	3.3	(9.2)
All others	2.7	2.6	2.7	2.7	3.2	2.8	2.9	3.0	2.4	1.9	2.5	2.6	3.7
Total ²	69.6	68.1	71.1	66.4	68.7	66.3	64.5	67.9	54.3	51.7	52.7	47.6	(9.6)
						(million tonnes)							
Pulp and paper production	6.1	5.9	5.7	5.7	5.6	5.4	5.3	5.1	5.1	4.5	4.5	4.0	(11.5)
Market pulp	4.5	4.4	4.3	4.3	4.3	4.2	4.2	4.1	4.1	3.9	3.7	3.3	(11.0)
Newsprint, paper and paperboard	1.6	1.4	1.4	1.4	1.3	1.1	1.1	1.0	1.0	0.6	0.8	0.7	(14.1)
Industrial product price indices						(Jan 2020=100)							
Softwood lumber (Canada)	61.5	68.0	80.1	85.2	86.4	90.3	103.7	114.2	97.0	134.4	215.5	201.6	(6.4)
Spruce-Pine-Fir lumber (BC)	64.3	70.1	82.3	87.3	88.1	93.6	104.0	114.5	99.4	133.9	221.6	211.6	(4.5)
Hemlock lumber (BC)	49.9	56.5	70.6	75.8	75.4	81.3	102.0	111.4	92.6	145.3	197.4	180.8	(8.4)
Douglas fir and Western larch (BC)	67.6	70.2	78.3	85.0	88.0	92.0	102.1	109.4	100.4	129.9	226.0	259.9	15.0
Veneer and plywood (Canada)	79.6	86.4	87.1	93.5	95.6	96.8	106.5	112.1	104.8	126.7	186.9	178.0	(4.8)
Wood pulp (Canada)	78.7	77.9	81.0	80.5	80.5	79.7	91.5	112.2	106.3	101.1	110.0	121.7	10.7
Newsprint for export (Canada)	70.5	70.9	72.2	74.1	81.9	88.3	91.2	111.1	109.6	98.6	98.2	114.5	16.7

¹ Percentage change based on unrounded numbers.

² Totals may not add due to rounding.

Sources: Wood Production: Lumber - Statistics Canada Table 16-10-0017-01 - accessed June 2023, Timber scaled by species – Ministry of Forests.

Pulp and paper production – Pulp and Paper Products Council.

Industrial product price indices – Statistics Canada (Tables: 18-10-0266 with custom tabulations – accessed June 2023).

Timber scaled data includes all logs, special forest products, species and grades billed to crown, private and federal land. Waste, reject, and Christmas trees are excluded. For all scale invoiced as of date of reporting – April 2023

Table A1.11 Historical Value of Mineral, Petroleum and Natural Gas Shipments

Year	Metals ¹	Industrial Minerals ²	Construction Aggregates ³	Coal	Crude Oil ⁴	Natural Gas to Pipeline	Other Oil and Gas ⁵	Total
(\$ millions)								
1991	1,511	290	159	990	260	562	36	3,808
1992	1,502	212	157	706	260	592	38	3,467
1993	1,198	229	166	822	233	814	42	3,504
1994	1,354	237	180	861	235	991	44	3,902
1995	2,016	249	204	968	272	710	58	4,478
1996	1,537	251	189	1,027	441	817	75	4,337
1997	1,495	249	195	1,107	403	1,087	98	4,635
1998	1,484	245	208	956	373	1,154	47	4,467
1999	1,183	246	219	797	461	1,577	53	4,536
2000	1,571	284	224	812	843	3,826	114	7,674
2001	1,394	296	217	959	729	4,834	103	8,533
2002	1,288	310	231	1,035	714	3,458	79	7,115
2003	1,353	336	226	972	718	5,396	116	9,117
2004	1,956	355	239	1,191	824	5,827	133	10,524
2005	2,442	364	278	2,300	973	7,821	173	14,351
2006	3,248	363	274	2,105	1,013	5,956	179	13,139
2007	2,887	424	351	1,949	989	5,745	200	12,546
2008	2,590	696	379	3,738	1,215	7,525	524	16,667
2009	1,837	278	303	3,204	720	3,284	115	9,742
2010	2,191	349	373	4,253	930	3,437	161	11,694
2011	2,131	454	325	6,073	1,194	3,444	307	13,926
2012	2,360	461	370	4,635	1,208	1,934	273	11,241
2013	2,578	450	388	3,696	1,295	3,129	251	11,787
2014	3,302	x	312	x	1,517	5,170	310	10,611
2015	3,250	x	338	x	952	2,445	139	7,124
2016	2,942	x	339	x	1,050	1,918	105	6,354
2017	3,351	x	464	x	1,518	2,206	234	7,773
2018	3,694	x	538	x	2,525	1,743	475	8,973
2019	3,660	x	319	x	2,445	1,655	169	8,249
2020	4,103	x	383	x	1,624	2,191	199	8,501
2021	5,200	x	416	x	3,004	5,544	833	14,997
2022	4,899	x	400	x	4,479	11,086	1,476	22,340

1 Data for aluminum, bismuth, cadmium, selenium, and tellurium published separately in Statistics Canada table 16-10-0019-01 as of 2019.

2 Shipments of gypsum and silica to Canadian cement, lime and clay plants are not included in this table.

3 Sand and gravel; stone. Data only available for sand and gravel for 2019-2022.

4 Includes pentanes and condensate.

5 Liquefied petroleum gases and sulphur.

x Suppressed to meet the confidentiality requirements of the *Statistics Act*.

Sources: Statistics Canada (Tables: 16-10-0022-01 - accessed May 2023), Natural Resources Canada, and Ministry of Energy, Mines and Low Carbon Innovation.

Table A1.12 Petroleum and Natural Gas Activity Indicators

	Natural gas production (wellhead) (billion cubic m)	Crude oil and wellhead condensate production (million cubic m)	Wells Authorized (number) ¹	Wells Drilled (number)	Provincial Reserves		Provincial Government petroleum and natural gas revenue ² (\$ millions)
					Raw gas (remaining reserves) (billion cubic m)	Oil (remaining reserves) (million cubic m)	
2004	34.2	2.2	1,700	1,282	389.7	21.9	1,794.4
2005	31.8	2.0	1,790	1,429	444.6	20.9	2,559.0
2006	35.4	1.9	1,730	1,435	462.4	18.2	2,139.1
2007	31.9	1.8	1,206	909	482.9	19.7	2,352.8
2008	33.5	1.6	1,408	929	605.3	18.5	4,093.9
2009	32.9	1.5	829	626	657.9	19.3	1,464.2
2010	35.0	1.6	871	714	932.0	18.7	1,384.0
2011	41.4	1.5	1,133	661	974.9	18.2	735.0
2012	41.0	1.6	647	484	1,138.5	19.1	440.0
2013	44.6	1.5	907	571	1,197.2	19.3	723.0
2014	47.2	1.8	1,252	706	1,443.9	18.1	1,230.5
2015	49.0	1.9	913	546	1,504.7	17.6	345.5
2016	50.7	2.3	479	355	1,485.1	16.5	282.0
2017	51.5	2.5	870	621	1,354.8	18.2	486.1
2018	58.9	3.6	897	446	1,434.1	18.3	422.8
2019	58.8	3.7	672	365	1,818.7	16.6	331.7
2020	61.6	3.1	519	372	1,912.5	14.9	270.9
2021	65.7	3.0	-	469	2,092.9	13.2	802.1
2022	72.2	2.7	-	376	n/a	n/a	2,260.8
<u>per cent change</u>							
2021-2022	9.8	(10.6)	-	(19.8)	n/a	n/a	181.9

¹ No new well authorizations in 2021 or 2022 in response to the Supreme Court of B.C. ruling on the cumulative impacts of industrial development.

² Includes Crown royalties, Crown reserve disposition bonuses, fees and rentals.

Sources: Ministry of Energy, Mines and Low Carbon Innovation and British Columbia Energy Regulator.

Table A1.13 Supply and Consumption of Electrical Energy in British Columbia

Year	Supply				Consumption			Net Exports	
	Hydro	Net Generation		Receipts From Other Provinces and Imports	Delivered To Other Provinces and Exports	Total Provincial Consumption	Total Demand		
		All Other Types Of Electricity Generation ²	Total Provincial Generation						
					(gigawatt-hours) ¹				
1989	51,082	6,573	57,655	4,500	62,155	6,583	55,572	62,155	2,083
1990	57,245	3,417	60,662	3,233	63,895	6,689	57,206	63,895	3,456
1991	60,149	2,832	62,981	2,272	65,253	7,725	57,528	65,253	5,454
1992	60,555	3,503	64,058	2,685	66,743	9,473	57,270	66,743	6,788
1993	53,057	5,716	58,774	5,691	64,465	5,605	58,860	64,465	(86)
1994	53,979	7,036	61,015	7,836	68,851	9,541	59,311	68,851	1,705
1995	49,814	8,192	58,006	6,385	64,391	3,972	60,419	64,391	(2,413)
1996	67,329	4,436	71,765	3,289	75,053	10,390	64,664	75,053	7,101
1997	61,772	5,189	66,961	4,316	71,278	12,114	59,163	71,278	7,798
1998	60,849	6,861	67,710	5,056	72,766	10,619	62,147	72,766	5,563
1999	61,588	6,457	68,045	6,807	74,852	12,529	62,323	74,852	5,722
2000	59,754	8,487	68,241	6,039	74,280	10,698	63,582	74,280	4,659
2001	48,338	8,994	57,332	10,154	67,486	6,408	61,079	67,486	(3,747)
2002	58,627	6,318	64,945	5,769	70,714	8,078	62,636	70,714	2,309
2003	56,689	6,362	63,051	7,084	70,135	9,599	60,535	70,135	2,515
2004	53,281	7,214	60,496	8,261	68,757	6,791	61,966	68,757	(1,470)
2005*	60,327	7,447	67,774	7,206	74,980	9,247	65,732	74,980	2,042
2006	54,247	7,350	61,598	12,687	74,284	6,133	68,151	74,284	(6,554)
2007	64,287	7,543	71,830	8,390	80,220	11,198	69,022	80,220	2,808
2008	58,699	7,373	66,072	12,431	78,503	9,956	68,546	78,503	(2,474)
2009	56,462	8,594	65,057	12,075	77,132	8,304	68,827	77,132	(3,771)
2010	54,152	10,072	64,224	10,767	74,991	7,566	67,425	74,991	(3,201)
2011	61,037	8,220	69,257	10,973	80,230	15,552	64,679	80,230	4,579
2012	65,141	8,444	73,584	9,738	83,323	16,929	66,394	83,323	7,191
2013	59,223	8,628	67,851	10,466	78,317	13,576	64,741	78,317	3,110
2014	57,573	9,435	67,008	10,941	77,949	13,734	64,215	77,949	2,793
2015	64,999	6,772	71,771	9,591	81,361	14,123	67,238	81,361	4,533
2016	61,840	7,939	69,779	8,758	78,537	14,476	64,061	78,537	5,718
2017	66,503	8,083	74,586	8,943	83,530	15,139	68,391	83,530	6,195
2018	61,791	7,989	69,781	10,531	80,312	10,703	69,609	80,312	172
2019	56,108	8,674	64,782	12,086	76,868	9,434	67,434	76,868	(2,652)
2020	63,237	7,710	70,947	7,997	78,944	17,066	61,879	78,944	9,068
2021	65,855	8,352	74,207	8,937	83,144	16,090	67,054	83,144	7,153
2022	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

¹ Gigawatt-hour = one million kilowatt-hours

² All other types of electricity generation includes steam, nuclear, combustion turbine, tidal, wind and solar.

* Note: Starting from 2005, annual survey values (25-10-0020-01 and 25-10-0021-01) are used since more extensive information is available from companies' annual performance reviews. Source: Statistics Canada (Tables: 25-10-0001-01, 25-10-0020-01 and 25-10-0021-01 – accessed April 2023); BC Stats; Ministry of Finance Calculations.

Table A1.14 Components of British Columbia Population Change

Year	Net Migration			Natural Increase			Total Population Increase ¹	Total Population at July 1
	Inter-provincial	Inter-national	Total	Births	Deaths	Total		
1975	(2,864)	25,342	22,478	36,281	19,151	17,130	39,608	2,499,564
1976	(464)	16,288	15,824	35,848	18,788	17,060	32,884	2,533,899
1977	12,452	11,224	23,676	36,691	18,596	18,095	41,771	2,570,315
1978	20,106	7,699	27,805	37,231	19,058	18,173	45,978	2,615,162
1979	32,541	14,012	46,553	38,432	19,204	19,228	65,781	2,665,238
1980	38,773	23,522	62,295	40,104	19,371	20,733	83,028	2,745,861
1981	23,270	22,143	45,413	41,474	19,857	21,617	67,030	2,826,558
1982	(1,129)	14,175	13,046	42,747	20,707	22,040	35,086	2,876,513
1983	3,000	10,639	13,639	43,911	19,827	23,092	36,731	2,907,502
1984	3,867	8,674	12,541	43,911	20,686	23,225	35,766	2,947,181
1985	(3,430)	9,374	5,944	43,127	21,302	21,825	27,769	2,975,131
1986	(772)	12,290	11,518	41,967	21,213	20,754	32,272	3,003,621
1987	16,588	21,078	37,666	41,814	21,814	20,000	57,666	3,048,651
1988	25,829	28,704	54,533	42,930	22,546	20,384	74,917	3,114,761
1989	35,711	31,042	66,753	43,769	22,997	20,772	87,525	3,196,725
1990	40,088	28,585	68,673	45,617	23,577	22,040	90,713	3,292,111
1991	34,600	21,274	55,874	45,612	23,977	21,635	77,509	3,373,787
1992	39,578	29,477	69,055	46,156	24,615	21,541	90,596	3,468,802
1993	37,595	34,679	72,274	46,026	25,764	20,262	92,536	3,567,772
1994	34,449	42,667	77,116	46,998	25,939	21,059	98,175	3,676,075
1995	23,414	43,644	67,058	46,820	26,375	20,445	87,503	3,777,390
1996	17,798	47,617	65,415	46,138	27,538	18,600	84,015	3,874,317
1997	1,980	38,318	40,298	44,577	27,412	17,165	57,463	3,948,583
1998	(17,521)	24,380	6,859	43,072	27,978	15,094	21,953	3,983,113
1999	(12,413)	28,644	16,231	41,939	28,017	13,922	30,153	4,011,375
2000	(14,783)	29,266	14,483	40,672	27,461	13,211	27,694	4,039,230
2001	(7,028)	34,217	27,189	40,575	28,362	12,213	39,402	4,076,950
2002	(4,445)	28,575	24,130	40,065	28,884	11,181	35,311	4,100,564
2003	3,025	27,762	30,787	40,497	29,320	11,177	41,964	4,124,482
2004	7,785	28,015	35,800	40,490	29,924	10,566	46,366	4,155,651
2005	7,212	38,399	45,611	40,827	30,235	10,592	56,203	4,196,062
2006	12,799	34,670	47,469	41,729	30,688	11,041	58,510	4,241,794
2007	16,776	35,714	52,490	43,649	31,308	12,341	64,831	4,290,984
2008	10,849	49,678	60,527	44,276	32,097	12,179	72,706	4,349,336
2009	9,672	46,775	56,447	44,993	31,440	13,553	70,000	4,410,506
2010	6,212	32,717	38,929	43,826	31,324	12,502	51,431	4,465,546
2011	711	31,692	32,403	44,129	31,966	12,163	44,566	4,502,104
2012	(4,322)	34,895	30,573	44,008	32,524	11,484	42,057	4,566,769
2013	2,514	35,381	37,895	43,779	33,200	10,579	48,474	4,630,077
2014	15,859	32,178	48,037	44,376	33,791	10,585	58,622	4,707,103
2015	22,827	14,059	36,886	44,298	35,246	9,052	45,938	4,776,388
2016	23,586	40,012	63,598	45,268	36,627	8,641	72,239	4,859,250
2017	15,293	55,118	70,411	44,648	38,486	6,162	76,573	4,929,384
2018	12,723	62,879	75,602	43,592	38,471	5,121	80,723	5,010,476
2019	14,263	71,367	85,630	43,492	38,556	4,936	90,566	5,094,796
2020	19,304	(1,651)	17,653	42,254	41,324	930	18,583	5,155,495
2021	27,225	67,561	94,786	43,894	44,395	(501)	94,285	5,202,378
2022	481	150,783	151,264	41,583	45,307	(3,724)	147,540	5,319,324

¹ Components may not add to totals due to the revision of population statistics based on information collected during subsequent census years. The revisions are not distributed back to relevant components due to insufficient data.

Sources: Statistics Canada (Tables: 17-10-0020-01, 17-10-0040-01 and 17-10-0059-01 – accessed April 2023) and BC Stats.

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APPENDIX 2
FINANCIAL REVIEW
SUPPLEMENTARY TABLES

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Table A2.1 Operating Statement – 2011/12 to 2022/23 ¹

(\$ millions)	Actual 2011/12	Actual 2012/13	Actual 2013/14	Actual 2014/15	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Average annual change (per cent)
Revenue	41,805	42,057	43,715	46,099	47,601	51,449	52,020	57,128	58,660	62,156	72,392	81,536	6.3
Expense	(43,684)	(43,242)	(43,439)	(44,477)	(46,869)	(48,721)	(51,744)	(55,634)	(59,022)	(67,663)	(71,127)	(80,832)	5.8
Surplus (deficit)	(1,879)	(1,185)	276	1,622	732	2,728	276	1,494	(362)	(5,507)	1,265	704	
Accumulated surplus (deficit) beginning of year, before remeasurement gains/(losses)	2,751	872	(313)	(37)	1,585	2,317	5,045	5,321	6,815	6,453	946	2,201	
Accumulated surplus (deficit), before remeasurement gains/(losses)	872	(313)	(37)	1,585	2,317	5,045	5,321	6,815	6,453	946	2,211	2,905	
Remeasurement gains/(losses)	8	89	416	141	(506)	(270)	(234)	32	(223)	684	396	(202)	
Accumulated surplus (deficit), end of year	880	(224)	379	1,726	1,811	4,775	5,087	6,847	6,230	1,630	2,607	2,703	
Per cent of Nominal GDP: ²													
Surplus (deficit)	-0.9	-0.5	0.1	0.7	0.3	1.0	0.1	0.5	-0.1	-1.8	0.4	0.2	
Per cent of revenue:													
Surplus (deficit)	-4.5	-2.8	0.6	3.5	1.5	5.3	0.5	2.6	-0.6	-8.9	1.7	0.9	
Per capita (\$): ³													
Surplus (deficit)	(417)	(259)	60	345	153	561	56	298	(71)	(1,068)	243	132	

¹ Figures have been restated to reflect government accounting policies in effect at March 31, 2023.

² Revenue and expense as a per cent of GDP is calculated using GDP for the calendar year ending in the fiscal year (e.g. 2022/23 amounts divided by GDP for the 2022 calendar year). As nominal GDP for the calendar year ending 2022 is not yet available, the 2022 GDP projected in the February 2023 budget has been used for the fiscal year ended March 31, 2023 for demonstration purposes.

³ Per capita revenue and expense is calculated using July 1 population (e.g. 2022/23 amounts divided by population on July 1, 2022).

Table A2.2 Statement of Financial Position – 2011/12 to 2022/23 ¹

(\$ millions)	Actual 2011/12	Actual 2012/13	Actual 2013/14	Actual 2014/15	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Average annual change (per cent)
Financial assets:													
Cash and temporary investments	3,235	3,173	2,801	3,675	3,892	4,232	3,440	3,029	3,985	6,560	7,142	8,247	8.9
Other financial assets ²	8,004	8,252	9,400	9,181	9,702	10,209	11,740	12,637	12,404	15,410	17,105	19,077	8.2
Sinking funds	1,491	1,778	835	977	1,580	1,087	1,348	752	692	492	510	521	-9.1
Investments in commercial Crown corporations:													
Retained earnings	7,021	7,564	7,862	8,277	7,537	7,517	6,134	5,738	6,523	9,632	12,223	12,634	5.5
Recoverable capital loans	15,167	17,208	19,255	20,624	22,041	23,809	20,534	22,547	24,768	26,301	27,218	28,145	5.8
	22,188	24,772	27,117	28,901	29,578	31,326	26,668	28,285	31,291	35,933	39,441	40,779	5.7
Total financial assets	34,918	37,975	40,153	42,734	44,752	46,854	43,196	44,703	48,372	58,395	64,198	68,624	6.3
Liabilities:													
Accounts payable, accrued liabilities & others ²	10,552	10,620	9,807	9,859	10,071	10,521	11,278	12,137	13,101	14,733	18,509	25,402	8.3
Deferred revenue	10,553	9,968	9,801	9,911	9,883	9,665	10,068	10,543	10,651	12,211	13,379	15,005	3.3
Debt:													
Taxpayer-supported debt	34,659	38,182	41,068	41,880	42,719	41,499	43,607	42,681	46,229	59,750	62,341	59,934	5.1
Self-supported debt	15,534	17,634	19,625	21,040	22,532	24,338	21,312	23,281	25,932	27,350	28,325	29,492	6.0
Total provincial debt	50,193	55,816	60,693	62,920	65,251	65,837	64,919	65,962	72,161	87,100	90,666	89,426	5.4
Add: debt offset by sinking funds	1,491	1,778	835	977	1,580	1,087	1,348	752	692	492	510	521	-9.1
Add: foreign exchange adjustments	-	-	-	-	-	-	-	-	-	-	-	-	n/a
Less: guarantees & non-guaranteed debt	(730)	(755)	(726)	(739)	(820)	(835)	(896)	(850)	(1,337)	(1,335)	(1,402)	(1,523)	6.9
Financial statement debt	50,954	56,839	60,802	63,158	66,011	66,089	65,371	65,864	71,516	86,257	89,774	88,896	5.2
Total liabilities	72,059	77,427	80,410	82,928	85,965	86,275	86,717	88,544	95,268	113,201	121,662	129,303	5.5
Net liabilities	(37,141)	(39,452)	(40,257)	(40,194)	(41,213)	(39,421)	(43,521)	(43,841)	(46,896)	(54,806)	(57,464)	(60,679)	4.6
Capital and other assets:													
Tangible capital assets	35,764	36,834	37,850	39,100	40,354	41,375	45,908	47,902	50,095	52,851	56,133	59,811	4.8
Restricted assets	1,377	1,442	1,493	1,553	1,631	1,695	1,768	1,834	1,931	2,003	2,147	2,224	4.5
Other assets	880	952	1,293	1,267	1,039	1,126	932	952	1,100	1,582	1,791	1,347	3.9
Total capital and other assets	38,021	39,228	40,636	41,920	43,024	44,196	48,608	50,688	53,126	56,436	60,071	63,382	4.8
Accumulated surplus (deficit)	880	(224)	379	1,726	1,811	4,775	5,087	6,847	6,230	1,630	2,607	2,703	10.7
Per cent of Nominal GDP: ³													
Net liabilities	17.0	17.7	17.4	16.5	16.4	14.9	15.4	14.7	15.2	17.9	16.4	15.6	-0.8
Capital and other assets	17.4	17.6	17.6	17.2	17.2	16.7	17.2	17.0	17.2	18.4	17.1	16.3	-0.6
Growth rates:													
Net liabilities	10.9	6.2	2.0	-0.2	2.5	-4.3	10.4	0.7	7.0	16.9	4.8	5.6	n/a
Capital and other assets	4.1	3.2	3.6	3.2	2.6	2.7	10.0	4.3	4.8	6.2	6.4	5.5	n/a
Per capita: ⁴													
Net liabilities	8,250	8,639	8,695	8,539	8,628	8,113	8,829	8,750	9,205	10,631	11,046	11,407	3.0
Capital and other assets	8,445	8,590	8,777	8,906	9,008	9,095	9,861	10,116	10,428	10,947	11,547	11,915	3.2

¹ Figures have been restated to reflect government accounting policies in effect at March 31, 2023.

² 2022/23 includes \$663M derivative assets in other financial assets and \$1,031M derivative liabilities in other liabilities due to the adoption of the financial instruments accounting standard.

³ Net liabilities as a per cent of GDP is calculated using GDP for the calendar year ending in the fiscal year (e.g. 2022/23 amount divided by GDP for the 2022 calendar year). As nominal GDP for the calendar year ending 2022 is not available, the 2022 GDP projected in the February 2023 budget has been used for the fiscal year ended March 31, 2023 for demonstration purposes.

⁴ Per capita net liabilities is calculated using July 1 population (e.g. 2022/23 amount divided by population on July 1, 2022).

Table A2.3 Changes in Financial Position – 2011/12 to 2022/23

(\$ millions)	Actual 2011/12	Actual 2012/13	Actual 2013/14	Actual 2014/15	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2021/22	Actual 2021/22	Actual 2022/23	12-Year Total
(Surplus) deficit for the year	1,879	1,185	(276)	(1,622)	(732)	(2,728)	(276)	(1,494)	362	5,507	(1,265)	(704)	(164)
Change in remeasurement (gains) losses	287	(81)	(327)	275	647	(236)	(36)	(266)	255	(907)	288	608	507
Change in accumulated (surplus) deficit	2,166	1,104	(603)	(1,347)	(85)	(2,964)	(312)	(1,760)	617	4,600	(977)	(96)	343
Capital and other asset changes:													
Taxpayer-supported capital investments	3,565	3,279	3,151	3,407	3,459	3,659	3,908	4,452	4,772	5,428	6,002	6,755	51,837
Less: amortization and other accounting changes	(2,151)	(2,209)	(2,135)	(2,157)	(2,205)	(2,638)	625	(2,458)	(2,579)	(2,672)	(2,720)	(3,077)	(26,376)
Increase in net capital assets	1,414	1,070	1,016	1,250	1,254	1,021	4,533	1,994	2,193	2,756	3,282	3,678	25,461
Increase (decrease) in restricted assets	65	65	51	60	78	64	73	66	97	72	144	77	912
Increase (decrease) in other assets	3	72	341	(26)	(228)	87	(194)	20	148	482	209	(444)	470
Change in capital and other assets	1,482	1,207	1,408	1,284	1,104	1,172	4,412	2,080	2,438	3,310	3,635	3,311	26,843
Increase (decrease) in net liabilities	3,648	2,311	805	(63)	1,019	(1,792)	4,100	320	3,055	7,910	2,658	3,215	27,186
Investment and working capital changes:													
Investment in commercial Crown corporations:													
Increase (decrease) in retained earnings	(94)	543	298	415	(740)	(20)	(1,383)	(396)	785	3,109	2,591	411	5,519
Self-supported capital investments	2,744	2,765	2,519	2,488	2,573	2,725	2,729	4,106	4,386	3,475	3,730	4,165	38,405
Less: loan repayments and other accounting changes	(719)	(724)	(472)	(1,119)	(1,156)	(957)	(6,004)	(2,093)	(2,165)	(1,942)	(2,813)	(3,238)	(23,402)
Change in investment	1,931	2,584	2,345	1,784	677	1,748	(4,658)	1,617	3,006	4,642	3,508	1,338	20,522
Increase (decrease) in cash and temporary investments	175	(62)	(372)	874	217	340	(792)	(411)	956	2,575	582	1,105	5,187
Other working capital changes ¹	(909)	1,052	1,185	(239)	940	(218)	632	(1,033)	(1,365)	(386)	(3,231)	(6,536)	(10,108)
Change in investment and working capital	1,197	3,574	3,158	2,419	1,834	1,870	(4,818)	173	2,597	6,831	859	(4,093)	15,601
Increase (decrease) in financial statement debt	4,845	5,885	3,963	2,356	2,853	78	(718)	493	5,652	14,741	3,517	(878)	42,787
(Increase) decrease in sinking fund debt	(81)	(287)	943	(142)	(603)	493	(261)	596	60	200	(18)	(11)	889
(Increase) decrease in foreign exchange	-	-	-	-	-	-	-	-	-	-	-	(472)	(472)
Increase (decrease) in guarantees	99	(34)	27	(33)	6	(23)	(188)	(2)	57	113	9	(119)	(88)
Increase (decrease) in non-guaranteed debt	176	59	(56)	46	75	38	249	(44)	430	(115)	58	240	1,156
Increase (decrease) in total provincial debt	5,039	5,623	4,877	2,227	2,331	586	(918)	1,043	6,199	14,939	3,566	(1,240)	44,272
Represented by increase (decrease) in:													
Taxpayer-supported debt	2,838	3,523	2,886	812	839	(1,220)	2,108	(926)	3,548	13,521	2,591	(2,407)	28,113
Self-supported debt	2,201	2,100	1,991	1,415	1,492	1,806	(3,026)	1,969	2,651	1,418	975	1,167	16,159
Total provincial debt	5,039	5,623	4,877	2,227	2,331	586	(918)	1,043	6,199	14,939	3,566	(1,240)	44,272

¹ Includes changes in other financial assets, sinking funds, accounts payable, deferred revenue and other accrued liabilities.

Table A2.4 Revenue by Source – 2011/12 to 2022/23

(\$ millions)	Actual 2011/12	Actual 2012/13	Actual 2013/14	Actual 2014/15	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Average annual change (per cent)
Taxation revenue:													
Personal income	6,427	6,977	6,862	8,076	8,380	9,704	8,923	11,364	10,657	11,118	13,704	17,268	9.4
Corporate income	2,002	2,204	2,427	2,635	2,787	3,003	4,165	5,180	5,011	4,805	5,053	9,156	14.8
Employer health	-	-	-	-	-	-	-	464	1,897	2,156	2,443	2,720	n/a
Harmonized sales	5,779	5,950	(226)	(91)	(55)	6	13	7	-	-	-	-	n/a
Other sales ¹	151	118	5,529	5,853	6,045	6,600	7,118	7,362	7,374	7,694	8,731	9,818	46.2
Fuel	928	890	917	932	973	969	1,010	1,015	1,008	936	1,022	1,021	0.9
Carbon	959	1,120	1,222	1,198	1,190	1,220	1,255	1,465	1,682	1,683	2,011	2,161	7.7
Tobacco	636	614	724	752	734	737	727	781	729	711	708	531	-1.6
Property	1,913	1,985	2,080	2,154	2,219	2,279	2,367	2,617	2,608	2,313	3,012	3,253	4.9
Property transfer	944	758	937	1,065	1,533	2,026	2,141	1,826	1,609	2,098	3,327	2,293	8.4
Corporation capital	(5)	1	-	(1)	-	-	-	-	-	-	-	-	n/a
Insurance premium	411	433	458	483	520	549	602	633	691	652	706	804	6.3
	<u>20,145</u>	<u>21,050</u>	<u>20,930</u>	<u>23,056</u>	<u>24,326</u>	<u>27,093</u>	<u>28,321</u>	<u>32,714</u>	<u>33,266</u>	<u>34,166</u>	<u>40,717</u>	<u>49,025</u>	8.4
Natural resource revenue:													
Natural gas royalties	339	169	445	493	139	152	161	199	118	196	920	2,255	18.8
Crown land tenures	928	868	859	834	765	633	276	279	225	162	133	122	-16.8
Columbia River Treaty	110	89	170	130	116	111	111	202	119	117	231	437	13.4
Other energy and minerals	529	306	269	267	226	403	619	557	386	191	795	979	5.8
Forests	482	562	719	754	865	913	1,065	1,406	988	1,304	1,893	1,887	13.2
Other resources	424	479	493	459	460	499	463	465	432	433	499	518	1.8
	<u>2,812</u>	<u>2,473</u>	<u>2,955</u>	<u>2,937</u>	<u>2,571</u>	<u>2,711</u>	<u>2,695</u>	<u>3,108</u>	<u>2,268</u>	<u>2,403</u>	<u>4,471</u>	<u>6,198</u>	7.4
Other revenue:													
Medical Services Plan premiums	1,919	2,047	2,158	2,254	2,434	2,558	2,266	1,360	1,063	(4)	1	-	n/a
Post-secondary education fees	1,291	1,345	1,445	1,544	1,666	1,828	2,034	2,275	2,451	2,418	2,536	2,651	6.8
Other healthcare related fees	324	327	333	358	374	404	429	441	475	372	417	519	4.4
Motor vehicle licences and permits	479	489	504	499	521	529	557	568	579	571	610	613	2.3
Other fees and licences	722	699	770	770	841	894	963	949	1,004	972	1,020	1,145	4.3
Investment earnings	1,022	1,189	1,203	1,171	1,213	1,232	1,101	1,243	1,263	1,264	1,306	1,316	2.3
Sales of goods and services	930	942	946	967	1,011	1,131	1,133	1,164	1,162	741	1,059	1,396	3.8
Miscellaneous	1,746	1,673	2,256	1,893	2,287	2,377	2,410	2,249	2,676	2,395	2,851	3,049	5.2
	<u>8,433</u>	<u>8,711</u>	<u>9,615</u>	<u>9,456</u>	<u>10,347</u>	<u>10,953</u>	<u>10,893</u>	<u>10,249</u>	<u>10,673</u>	<u>8,729</u>	<u>9,800</u>	<u>10,689</u>	2.2
Contributions from the federal government:													
Canada Health Transfer	3,858	3,887	4,280	4,186	4,454	4,744	4,994	5,182	5,523	5,701	6,431	6,432	4.8
Canada Social Transfer	1,526	1,555	1,589	1,641	1,695	1,751	1,854	1,908	1,971	2,042	2,110	2,174	3.3
Harmonized sales tax transition payments	580	-	-	-	-	-	-	-	-	-	-	-	n/a
Other cost shared agreements	1,760	1,605	1,645	1,452	1,498	1,672	2,207	1,962	2,041	5,151	3,439	3,920	7.6
	<u>7,724</u>	<u>7,047</u>	<u>7,514</u>	<u>7,279</u>	<u>7,647</u>	<u>8,167</u>	<u>9,055</u>	<u>9,052</u>	<u>9,535</u>	<u>12,894</u>	<u>11,980</u>	<u>12,526</u>	4.5
Commercial Crown corporation net income:													
BC Hydro ²	558	509	549	581	655	684	683	(428)	705	688	668	360	-3.9
Liquor Distribution Branch	909	930	877	935	1,031	1,083	1,119	1,104	1,107	1,161	1,189	1,199	2.5
BC Lottery Corporation ³	1,102	1,116	1,165	1,245	1,304	1,329	1,391	1,405	1,336	420	1,211	1,584	3.4
ICBC	84	231	136	657	(293)	(612)	(1,327)	(1,153)	(376)	1,528	2,216	(197)	-208.1
Other	38	(10)	(26)	(47)	13	41	140	127	146	167	140	152	13.4
Accounting adjustments ²	-	-	-	-	-	-	(950)	950	-	-	-	-	n/a
	<u>2,691</u>	<u>2,776</u>	<u>2,701</u>	<u>3,371</u>	<u>2,710</u>	<u>2,525</u>	<u>1,056</u>	<u>2,005</u>	<u>2,918</u>	<u>3,964</u>	<u>5,424</u>	<u>3,098</u>	1.3
Total revenue	<u>41,805</u>	<u>42,057</u>	<u>43,715</u>	<u>46,099</u>	<u>47,601</u>	<u>51,449</u>	<u>52,020</u>	<u>57,128</u>	<u>58,660</u>	<u>62,156</u>	<u>72,392</u>	<u>81,536</u>	6.3

¹ Includes social service tax, hotel room tax, provincial sales tax, tax on designated properties and housing transition tax.

² BC Hydro's loss in 2018/19 includes a write-off of a regulatory account. At the summary level, the Province recognized a \$950 million adjustment in fiscal 2017/18 with respect to BC Hydro's deferred regulatory accounts.

³ Net of payments to the federal government and starting in 2021/22, is also net of payments to the BC First Nations Gaming Revenue Sharing Limited Partnership in accordance with section 14.3 of the *Gaming Control Act (B.C.)*

Table A2.5 Revenue by Source Supplementary Information – 2011/12 to 2022/23

	Actual 2011/12	Actual 2012/13	Actual 2013/14	Actual 2014/15	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Average annual change (per cent)
Per cent of Nominal GDP: ¹													
Taxation	9.2	9.4	9.1	9.5	9.7	10.3	10.0	11.0	10.8	11.1	11.6	12.6	2.9
Natural resources	1.3	1.1	1.3	1.2	1.0	1.0	1.0	1.0	0.7	0.8	1.3	1.6	2.0
Other	3.9	3.9	4.2	3.9	4.1	4.2	3.9	3.4	3.5	2.8	2.8	2.7	-3.0
Contributions from the federal government	3.5	3.2	3.3	3.0	3.0	3.1	3.2	3.0	3.1	4.2	3.4	3.2	-0.8
Commercial Crown corporation net income	1.2	1.2	1.2	1.4	1.1	1.0	0.4	0.7	0.9	1.3	1.5	0.8	-3.9
Total revenue	19.1	18.8	18.9	18.9	19.0	19.5	18.4	19.2	19.0	20.3	20.6	21.0	0.8
Growth rates (per cent):													
Taxation	5.8	4.5	-0.6	10.2	5.5	11.4	4.5	15.5	1.7	2.7	19.2	20.4	n/a
Natural resources	3.1	-12.1	19.5	-0.6	-12.5	5.4	-0.6	15.3	-27.0	6.0	86.1	38.6	n/a
Other	5.8	3.3	10.4	-1.7	9.4	5.9	-0.5	-5.9	4.1	-18.2	12.3	9.1	n/a
Contributions from the federal government	-3.6	-8.8	6.6	-3.1	5.1	6.8	10.9	0.0	5.3	35.2	-7.1	4.6	n/a
Commercial Crown corporation net income	-8.5	3.2	-2.7	24.8	-19.6	-6.8	-58.2	89.9	45.5	35.8	36.8	-42.9	n/a
Total revenue	2.8	0.6	3.9	5.5	3.3	8.1	1.1	9.8	2.7	6.0	16.5	12.6	n/a
Per capita (\$): ²													
Taxation	4,475	4,609	4,520	4,898	5,093	5,576	5,745	6,529	6,529	6,627	7,827	9,216	6.8
Natural resources	625	542	638	624	538	558	547	620	445	466	859	1,165	5.8
Other	1,873	1,907	2,077	2,009	2,166	2,254	2,210	2,046	2,095	1,693	1,884	2,009	0.6
Contributions from the federal government	1,716	1,543	1,623	1,546	1,601	1,681	1,837	1,807	1,872	2,501	2,303	2,355	2.9
Commercial Crown corporation net income	598	608	583	716	567	520	214	400	573	769	1,043	582	-0.2
Total revenue	9,286	9,209	9,442	9,793	9,966	10,588	10,553	11,402	11,514	12,056	13,915	15,328	4.7
Real Per Capita Revenue (2022 \$) ³													
11,597	11,375	11,672	11,984	12,064	12,586	12,284	12,920	12,749	13,249	14,876	15,328	2.6	
6.4	-1.9	2.6	2.7	0.7	4.3	-2.4	5.2	-1.3	3.9	12.3	3.0	n/a	

¹ Revenue as a per cent of GDP is calculated using GDP for the calendar year ending in the fiscal year (e.g. 2022/23 revenue divided by GDP for the 2022 calendar year). As nominal GDP for the calendar year ending 2022 is not available, the 2022 GDP projected in the February 2023 budget has been used for the fiscal year ended March 31, 2023 for demonstration purposes. Totals may not add due to rounding.

² Per capita revenue is calculated using July 1 population (e.g. 2022/23 revenue divided by population on July 1, 2022). Totals may not add due to rounding.

³ Revenue is converted to real (inflation-adjusted) terms using the consumer price index (CPI) for the corresponding calendar year (e.g. 2022 CPI for 2022/23 revenue).

Table A2.6 Expense by Function – 2011/12 to 2022/23 ¹

(\$ millions)	Actual 2011/12	Actual 2012/13	Actual 2013/14	Actual 2014/15	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Average annual change (per cent)
Function:													
Health:													
Medical Services Plan	3,873	3,906	4,114	4,136	4,345	4,573	4,623	4,861	5,013	5,145	5,776	6,006	4.1
Pharmacare	1,147	1,122	1,130	1,120	1,335	1,284	1,400	1,494	1,517	1,501	1,579	1,711	3.7
Regional services	11,262	11,791	11,967	12,417	12,818	13,086	14,101	15,004	16,054	18,290	19,574	21,715	6.2
Other healthcare expenses	642	690	658	704	712	753	810	800	872	677	662	890	3.0
	<u>16,924</u>	<u>17,509</u>	<u>17,869</u>	<u>18,377</u>	<u>19,210</u>	<u>19,696</u>	<u>20,934</u>	<u>22,159</u>	<u>23,456</u>	<u>25,613</u>	<u>27,591</u>	<u>30,322</u>	5.4
Education:													
Elementary and secondary	5,886	6,004	6,134	6,065	6,304	6,423	6,919	7,254	7,584	7,444	8,085	8,585	3.5
Post-secondary	4,912	5,108	5,289	5,354	5,507	5,677	6,002	6,398	6,846	6,872	7,357	7,517	3.9
Other education expenses	436	423	410	414	407	374	176	442	310	632	359	889	6.7
	<u>11,234</u>	<u>11,535</u>	<u>11,833</u>	<u>11,833</u>	<u>12,218</u>	<u>12,474</u>	<u>13,097</u>	<u>14,094</u>	<u>14,740</u>	<u>14,948</u>	<u>15,801</u>	<u>16,991</u>	3.8
Social services:													
Social assistance	1,550	1,552	1,572	1,589	1,641	1,692	1,988	2,202	2,342	3,141	2,910	3,157	6.7
Child welfare	1,112	1,098	1,097	1,129	1,301	1,358	1,507	1,652	1,940	2,226	2,254	3,168	10.0
Low income tax credit transfers	509	534	279	248	247	244	239	414	435	1,131	754	1,747	11.9
Community living and other services	769	806	857	881	917	949	1,003	1,075	1,170	1,291	1,350	1,581	6.8
	<u>3,940</u>	<u>3,990</u>	<u>3,805</u>	<u>3,847</u>	<u>4,106</u>	<u>4,243</u>	<u>4,737</u>	<u>5,343</u>	<u>5,887</u>	<u>7,789</u>	<u>7,268</u>	<u>9,652</u>	8.5
Protection of persons and property	<u>1,512</u>	<u>1,539</u>	<u>1,520</u>	<u>1,451</u>	<u>1,572</u>	<u>1,655</u>	<u>1,930</u>	<u>2,004</u>	<u>2,126</u>	<u>2,258</u>	<u>2,937</u>	<u>3,483</u>	7.9
Transportation	1,545	1,555	1,580	1,608	1,670	1,784	1,931	2,021	2,126	3,362	4,453	3,319	7.2
Natural resources & economic development	1,873	2,092	1,755	2,191	2,477	2,465	3,374	3,825	3,778	4,191	5,213	6,284	11.6
Other	1,435	1,367	1,205	1,309	1,285	2,281	1,574	1,831	2,525	2,862	3,082	5,736	13.4
General government	1,239	1,266	1,390	1,363	1,505	1,536	1,544	1,673	1,657	3,919	2,040	2,326	5.9
Debt servicing	2,383	2,390	2,482	2,498	2,826	2,587	2,623	2,684	2,727	2,722	2,742	2,719	1.2
Operating expense	<u>42,085</u>	<u>43,243</u>	<u>43,439</u>	<u>44,477</u>	<u>46,869</u>	<u>48,721</u>	<u>51,744</u>	<u>55,634</u>	<u>59,022</u>	<u>67,664</u>	<u>71,127</u>	<u>80,832</u>	6.1
Unusual items:													
HST transition funding repayment	1,599	-	-	-	-	-	-	-	-	-	-	-	-
Total expense	<u>43,684</u>	<u>43,243</u>	<u>43,439</u>	<u>44,477</u>	<u>46,869</u>	<u>48,721</u>	<u>51,744</u>	<u>55,634</u>	<u>59,022</u>	<u>67,664</u>	<u>71,127</u>	<u>80,832</u>	5.8
Per cent of operating expense:													
Health	40.2	40.5	41.1	41.3	41.0	40.4	40.5	39.8	39.7	37.9	38.8	37.5	-0.6
Education	26.7	26.7	27.2	26.6	26.1	25.6	25.3	25.3	25.0	22.1	22.2	21.0	-2.1
Social services and housing	9.4	9.2	8.8	8.6	8.8	8.7	9.2	9.6	10.0	11.5	10.2	11.9	2.2
Protection of persons and property	3.6	3.6	3.5	3.3	3.4	3.4	3.7	3.6	3.6	3.3	4.1	4.3	1.7
Transportation	3.7	3.6	3.6	3.6	3.6	3.7	3.7	3.6	3.6	5.0	6.3	4.1	1.0
Natural resources & economic development	4.5	4.8	4.0	4.9	5.3	5.1	6.5	6.9	6.4	6.2	7.3	7.8	5.2
Other	3.4	3.2	2.8	2.9	2.7	4.7	3.0	3.3	4.3	4.2	4.3	7.1	6.9
General government	2.9	2.9	3.2	3.1	3.2	3.2	3.0	3.0	2.8	5.8	2.9	2.9	-0.2
Debt servicing	5.7	5.5	5.7	5.6	6.0	5.3	5.1	4.8	4.6	4.0	3.9	3.4	-4.6
	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	

¹ Figures have been restated to reflect government accounting policies in effect at March 31, 2023.

Table A2.7 Expense by Function Supplementary Information – 2011/12 to 2022/23 ¹

	Actual 2011/12	Actual 2012/13	Actual 2013/14	Actual 2014/15	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Average annual change (per cent)
Per cent of nominal GDP: ²													
Health	7.7	7.8	7.7	7.5	7.7	7.5	7.4	7.5	7.6	8.3	7.9	7.8	0.1
Education	5.1	5.2	5.1	4.9	4.9	4.7	4.6	4.7	4.8	4.9	4.5	4.4	-1.5
Social services	1.8	1.8	1.6	1.6	1.6	1.6	1.7	1.8	1.9	2.5	2.1	2.5	3.0
Protection of persons and property	0.7	0.7	0.7	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.8	0.9	2.4
Transportation	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	1.1	1.3	0.9	1.7
Natural resources & economic development	0.9	0.9	0.8	0.9	1.0	0.9	1.2	1.3	1.2	1.4	1.5	1.6	5.9
Other	0.7	0.6	0.5	0.5	0.5	0.9	0.6	0.6	0.8	0.9	0.9	1.5	7.6
General government	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.6	0.5	1.3	0.6	0.6	0.5
Debt servicing	1.1	1.1	1.1	1.0	1.1	1.0	0.9	0.9	0.9	0.9	0.8	0.7	-4.0
Operating expense	19.2	19.4	18.8	18.2	18.7	18.5	18.3	18.7	19.1	22.0	20.4	20.8	0.7
Growth rates (per cent):													
Health	5.8	3.5	2.1	2.8	4.5	2.5	6.3	5.9	5.9	9.2	7.7	18.4	n/a
Education	0.6	2.7	2.6	0.0	3.3	2.1	5.0	7.6	4.6	1.4	-5.7	13.7	n/a
Social services	4.1	1.3	-4.6	1.1	6.7	3.3	11.6	12.8	10.2	32.3	-6.7	23.9	n/a
Protection of persons and property	4.4	1.8	-1.2	-4.5	8.3	5.3	16.6	3.8	6.1	6.2	30.1	54.3	n/a
Transportation	-2.2	0.6	1.6	1.8	3.9	6.8	8.2	4.7	5.2	58.1	32.5	-1.3	n/a
Natural resources & economic development	-20.3	11.7	-16.1	24.8	13.1	-0.5	36.9	13.4	-1.2	10.9	24.4	49.9	n/a
Other	18.8	-4.7	-11.9	8.6	-1.8	77.5	-31.0	16.3	37.9	13.3	7.6	100.4	n/a
General government	8.1	2.2	9.8	-1.9	10.4	2.1	0.5	8.4	-1.0	136.5	-48.0	-40.6	n/a
Debt servicing	5.8	0.3	3.8	0.6	13.1	-8.5	1.4	2.3	1.6	-0.2	0.7	-0.1	n/a
Operating expense	2.8	2.8	0.5	2.4	5.4	4.0	6.2	7.5	6.1	14.6	5.1	19.5	n/a
Per capita (S): ³													
Health	3,759	3,834	3,859	3,904	4,022	4,053	4,247	4,423	4,604	4,968	5,290	5,700	3.9
Education	2,495	2,526	2,556	2,514	2,558	2,567	2,657	2,813	2,893	2,899	3,029	3,194	2.3
Social services	875	874	822	817	860	873	961	1,066	1,155	1,511	1,394	1,815	6.9
Protection of persons and property	336	337	328	308	329	341	392	400	417	438	563	655	6.3
Transportation	343	341	341	342	350	367	392	403	417	652	854	624	5.6
Natural resources & economic development	416	458	379	465	519	507	684	763	742	813	1,002	1,181	10.0
Other	319	299	260	278	269	469	319	365	496	555	586	1,078	11.7
General government	275	277	300	290	315	316	313	334	325	760	390	437	4.3
Debt servicing	529	523	536	531	592	532	532	536	535	528	526	511	-0.3
Operating expense	9,347	9,469	9,381	9,449	9,814	10,025	10,497	11,103	11,584	13,124	13,632	15,195	4.5
Real Per Capita													
Operating Expense (2022 S) ⁴	11,675	11,696	11,598	11,563	11,878	11,919	12,219	12,582	12,828	14,424	14,616	15,195	2.4
Growth rate (per cent)	-0.4	0.2	-0.8	-0.3	2.7	0.3	2.5	3.0	2.0	12.4	1.3	4.0	n/a

¹ Numbers may not add due to rounding.

² Expense as a per cent of GDP is an estimate calculated using nominal GDP for the calendar year ending in the fiscal year (e.g. 2022/23 expense divided by nominal GDP for the 2022 calendar year); as nominal GDP for the calendar year ending 2022 is not available, the 2022 GDP projected in the February 2023 budget has been used for the fiscal year ended March 31, 2023 for demonstration purposes.

³ Per capita expense is calculated using July 1 population (e.g. 2022/23 expense divided by population on July 1, 2022).

⁴ Expense is converted to real (inflation-adjusted) terms using the consumer price index (CPI) for the corresponding calendar year (e.g. 2022 CPI for 2022/23 expense).

Table A2.8 Full-Time Equivalents (FTEs) – 2011/12 to 2022/23

	Actual 2011/12	Actual 2012/13	Actual 2013/14	Actual 2014/15	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Average annual change (per cent)
Taxpayer-supported programs and agencies:													
Ministries and special offices (CRF)	27,228	27,326	26,526	26,679	27,192	27,940	29,291	30,891	31,774	32,672	33,400	33,696	2.0
Service delivery agencies ¹	4,346	4,508	4,640	4,798	4,803	4,850	5,076	5,258	5,985	6,042	6,767	7,746	5.4
Total FTEs	<u>31,574</u>	<u>31,834</u>	<u>31,166</u>	<u>31,477</u>	<u>31,995</u>	<u>32,790</u>	<u>34,367</u>	<u>36,149</u>	<u>37,759</u>	<u>38,714</u>	<u>40,167</u>	<u>41,442</u>	2.5
Growth rates:													
Ministries and special offices (CRF)	-9.9	0.4	-2.9	0.6	1.9	2.8	4.8	5.5	2.9	2.8	2.2	0.9	n/a
Service delivery agencies	1.2	3.7	2.9	3.4	0.1	1.0	4.7	3.6	13.8	1.0	12.0	14.5	n/a
Population per FTE: ²													
Total FTEs	142.6	143.5	148.6	149.5	149.3	148.2	143.4	138.6	134.9	133.2	129.5	128.4	-1.0

1 Service delivery agency FTE figures do not include SUCH sector staff employment.

2 Population per FTE is calculated using July 1 population (e.g. population on July 1, 2022 divided by 2022/23 FTEs).

Table A2.9 Capital Spending – 2011/12 to 2022/23

(\$ millions)	Actual 2011/12	Actual 2012/13	Actual 2013/14	Actual 2014/15	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Average annual change (per cent)																																																																																																																																																																																																																																																																																																																																																																												
Taxpayer-supported:																																																																																																																																																																																																																																																																																																																																																																																									
Education																																																																																																																																																																																																																																																																																																																																																																																									
Schools (K–12)	560	509	466	420	430	474	578	626	877	944	1,001	934	4.8																																																																																																																																																																																																																																																																																																																																																																												
Post-secondary	655	591	507	718	746	792	968	1,024	936	904	899	1,071	4.6																																																																																																																																																																																																																																																																																																																																																																												
Health	732	742	690	900	923	1,004	890	904	1,009	1,162	1,555	1,915	9.1																																																																																																																																																																																																																																																																																																																																																																												
BC Transportation Financing Authority	921	1,005	1,017	822	867	823	717	853	955	1,285	1,364	1,823	6.4																																																																																																																																																																																																																																																																																																																																																																												
BC Transit	37	48	80	83	51	41	115	85	73	107	67	100	9.5																																																																																																																																																																																																																																																																																																																																																																												
Vancouver Convention Centre expansion	1	-	-	-	-	-	-	-	-	-	-	-	n/a																																																																																																																																																																																																																																																																																																																																																																												
BC Place redevelopment	194	6	-	-	-	-	-	-	-	-	-	-	n/a																																																																																																																																																																																																																																																																																																																																																																												
Government direct (ministries)	245	267	298	326	290	301	430	421	520	389	386	470	6.1																																																																																																																																																																																																																																																																																																																																																																												
Housing	196	92	65	107	127	184	169	483	355	572	642	357	5.6																																																																																																																																																																																																																																																																																																																																																																												
Other	24	19	28	31	25	40	41	56	47	65	88	85	12.2		<u>3,565</u>	<u>3,279</u>	<u>3,151</u>	<u>3,407</u>	<u>3,459</u>	<u>3,659</u>	<u>3,908</u>	<u>4,452</u>	<u>4,772</u>	<u>5,428</u>	<u>6,002</u>	<u>6,755</u>	6.0	Self-supported:														BC Hydro	1,703	1,929	2,036	2,169	2,306	2,444	2,473	3,826	3,082	3,207	3,475	3,919	7.9	Columbia Basin power projects	108	94	52	28	15	2	1	2	994	7	9	10	-19.5	Transportation Investment Corp.	734	540	202	76	25	38	4	-	-	-	-	-	n/a	BC Railway Company	9	10	8	5	23	4	11	33	6	1	2	6	-3.6	ICBC	92	73	82	88	90	62	54	66	62	100	54	41	-7.1	BC Lottery Corporation	74	97	100	69	68	86	82	75	102	73	90	95	2.3	Liquor Distribution Branch	19	10	13	25	23	27	48	60	36	22	22	16	-1.6	Other	5	12	26	28	23	62	56	44	104	65	78	78	28.4		<u>2,744</u>	<u>2,765</u>	<u>2,519</u>	<u>2,488</u>	<u>2,573</u>	<u>2,725</u>	<u>2,729</u>	<u>4,106</u>	<u>4,386</u>	<u>3,475</u>	<u>3,730</u>	<u>4,165</u>	3.9	Total capital spending	<u><u>6,309</u></u>	<u><u>6,044</u></u>	<u><u>5,670</u></u>	<u><u>5,895</u></u>	<u><u>6,032</u></u>	<u><u>6,384</u></u>	<u><u>6,637</u></u>	<u><u>8,558</u></u>	<u><u>9,158</u></u>	<u><u>8,903</u></u>	<u><u>9,732</u></u>	<u><u>10,920</u></u>	5.1	Per cent of Nominal GDP: ¹														Taxpayer-supported	1.6	1.5	1.4	1.4	1.4	1.4	1.4	1.5	1.5	1.8	1.7	1.7	0.6	Self-supported	1.3	1.2	1.1	1.0	1.0	1.0	1.0	1.4	1.4	1.1	1.1	1.1	-1.4	Total	<u>2.9</u>	<u>2.7</u>	<u>2.5</u>	<u>2.4</u>	<u>2.4</u>	<u>2.4</u>	<u>2.4</u>	<u>2.9</u>	<u>3.0</u>	<u>2.9</u>	<u>2.8</u>	<u>2.8</u>	-0.2	Growth rates:														Taxpayer-supported	-13.3	-8.0	-3.9	8.1	1.5	5.8	6.8	13.9	7.2	13.7	10.6	12.5	n/a	Self-supported	11.1	0.8	-8.9	-1.2	3.4	5.9	0.1	50.5	6.8	-20.8	7.3	11.7	n/a	Total	<u>-4.1</u>	<u>-4.2</u>	<u>-6.2</u>	<u>4.0</u>	<u>2.3</u>	<u>5.8</u>	<u>4.0</u>	<u>28.9</u>	<u>7.0</u>	<u>-2.8</u>	<u>9.3</u>	<u>12.2</u>	n/a	Per capita: ²														Taxpayer-supported	792	718	681	724	724	753	793	889	937	1,053	1,154	1,270	4.4	Self-supported	609	605	544	529	539	561	554	819	861	674	717	783	2.3	Total	<u>1,401</u>	<u>1,323</u>	<u>1,225</u>	<u>1,252</u>	<u>1,263</u>	<u>1,314</u>	<u>1,346</u>	<u>1,708</u>	<u>1,798</u>	<u>1,727</u>	<u>1,871</u>	<u>2,053</u>	3.5	Real Per Capita Capital Spending (2022 \$) ³	<u>1,750</u>	<u>1,635</u>	<u>1,514</u>	<u>1,533</u>	<u>1,529</u>	<u>1,562</u>	<u>1,567</u>	<u>1,935</u>	<u>1,990</u>	<u>1,898</u>	<u>2,000</u>	<u>2,053</u>	1.5	Growth rate (per cent)	-7.1	-6.6	-7.4	1.2	-0.3	2.2	0.4	23.5	2.8	-4.7	5.4	2.7	n/a
	<u>3,565</u>	<u>3,279</u>	<u>3,151</u>	<u>3,407</u>	<u>3,459</u>	<u>3,659</u>	<u>3,908</u>	<u>4,452</u>	<u>4,772</u>	<u>5,428</u>	<u>6,002</u>	<u>6,755</u>	6.0																																																																																																																																																																																																																																																																																																																																																																												
Self-supported:																																																																																																																																																																																																																																																																																																																																																																																									
BC Hydro	1,703	1,929	2,036	2,169	2,306	2,444	2,473	3,826	3,082	3,207	3,475	3,919	7.9																																																																																																																																																																																																																																																																																																																																																																												
Columbia Basin power projects	108	94	52	28	15	2	1	2	994	7	9	10	-19.5																																																																																																																																																																																																																																																																																																																																																																												
Transportation Investment Corp.	734	540	202	76	25	38	4	-	-	-	-	-	n/a																																																																																																																																																																																																																																																																																																																																																																												
BC Railway Company	9	10	8	5	23	4	11	33	6	1	2	6	-3.6																																																																																																																																																																																																																																																																																																																																																																												
ICBC	92	73	82	88	90	62	54	66	62	100	54	41	-7.1																																																																																																																																																																																																																																																																																																																																																																												
BC Lottery Corporation	74	97	100	69	68	86	82	75	102	73	90	95	2.3																																																																																																																																																																																																																																																																																																																																																																												
Liquor Distribution Branch	19	10	13	25	23	27	48	60	36	22	22	16	-1.6																																																																																																																																																																																																																																																																																																																																																																												
Other	5	12	26	28	23	62	56	44	104	65	78	78	28.4		<u>2,744</u>	<u>2,765</u>	<u>2,519</u>	<u>2,488</u>	<u>2,573</u>	<u>2,725</u>	<u>2,729</u>	<u>4,106</u>	<u>4,386</u>	<u>3,475</u>	<u>3,730</u>	<u>4,165</u>	3.9	Total capital spending	<u><u>6,309</u></u>	<u><u>6,044</u></u>	<u><u>5,670</u></u>	<u><u>5,895</u></u>	<u><u>6,032</u></u>	<u><u>6,384</u></u>	<u><u>6,637</u></u>	<u><u>8,558</u></u>	<u><u>9,158</u></u>	<u><u>8,903</u></u>	<u><u>9,732</u></u>	<u><u>10,920</u></u>	5.1	Per cent of Nominal GDP: ¹														Taxpayer-supported	1.6	1.5	1.4	1.4	1.4	1.4	1.4	1.5	1.5	1.8	1.7	1.7	0.6	Self-supported	1.3	1.2	1.1	1.0	1.0	1.0	1.0	1.4	1.4	1.1	1.1	1.1	-1.4	Total	<u>2.9</u>	<u>2.7</u>	<u>2.5</u>	<u>2.4</u>	<u>2.4</u>	<u>2.4</u>	<u>2.4</u>	<u>2.9</u>	<u>3.0</u>	<u>2.9</u>	<u>2.8</u>	<u>2.8</u>	-0.2	Growth rates:														Taxpayer-supported	-13.3	-8.0	-3.9	8.1	1.5	5.8	6.8	13.9	7.2	13.7	10.6	12.5	n/a	Self-supported	11.1	0.8	-8.9	-1.2	3.4	5.9	0.1	50.5	6.8	-20.8	7.3	11.7	n/a	Total	<u>-4.1</u>	<u>-4.2</u>	<u>-6.2</u>	<u>4.0</u>	<u>2.3</u>	<u>5.8</u>	<u>4.0</u>	<u>28.9</u>	<u>7.0</u>	<u>-2.8</u>	<u>9.3</u>	<u>12.2</u>	n/a	Per capita: ²														Taxpayer-supported	792	718	681	724	724	753	793	889	937	1,053	1,154	1,270	4.4	Self-supported	609	605	544	529	539	561	554	819	861	674	717	783	2.3	Total	<u>1,401</u>	<u>1,323</u>	<u>1,225</u>	<u>1,252</u>	<u>1,263</u>	<u>1,314</u>	<u>1,346</u>	<u>1,708</u>	<u>1,798</u>	<u>1,727</u>	<u>1,871</u>	<u>2,053</u>	3.5	Real Per Capita Capital Spending (2022 \$) ³	<u>1,750</u>	<u>1,635</u>	<u>1,514</u>	<u>1,533</u>	<u>1,529</u>	<u>1,562</u>	<u>1,567</u>	<u>1,935</u>	<u>1,990</u>	<u>1,898</u>	<u>2,000</u>	<u>2,053</u>	1.5	Growth rate (per cent)	-7.1	-6.6	-7.4	1.2	-0.3	2.2	0.4	23.5	2.8	-4.7	5.4	2.7	n/a																																																																																																																																												
	<u>2,744</u>	<u>2,765</u>	<u>2,519</u>	<u>2,488</u>	<u>2,573</u>	<u>2,725</u>	<u>2,729</u>	<u>4,106</u>	<u>4,386</u>	<u>3,475</u>	<u>3,730</u>	<u>4,165</u>	3.9	Total capital spending	<u><u>6,309</u></u>	<u><u>6,044</u></u>	<u><u>5,670</u></u>	<u><u>5,895</u></u>	<u><u>6,032</u></u>	<u><u>6,384</u></u>	<u><u>6,637</u></u>	<u><u>8,558</u></u>	<u><u>9,158</u></u>	<u><u>8,903</u></u>	<u><u>9,732</u></u>	<u><u>10,920</u></u>	5.1	Per cent of Nominal GDP: ¹														Taxpayer-supported	1.6	1.5	1.4	1.4	1.4	1.4	1.4	1.5	1.5	1.8	1.7	1.7	0.6	Self-supported	1.3	1.2	1.1	1.0	1.0	1.0	1.0	1.4	1.4	1.1	1.1	1.1	-1.4	Total	<u>2.9</u>	<u>2.7</u>	<u>2.5</u>	<u>2.4</u>	<u>2.4</u>	<u>2.4</u>	<u>2.4</u>	<u>2.9</u>	<u>3.0</u>	<u>2.9</u>	<u>2.8</u>	<u>2.8</u>	-0.2	Growth rates:														Taxpayer-supported	-13.3	-8.0	-3.9	8.1	1.5	5.8	6.8	13.9	7.2	13.7	10.6	12.5	n/a	Self-supported	11.1	0.8	-8.9	-1.2	3.4	5.9	0.1	50.5	6.8	-20.8	7.3	11.7	n/a	Total	<u>-4.1</u>	<u>-4.2</u>	<u>-6.2</u>	<u>4.0</u>	<u>2.3</u>	<u>5.8</u>	<u>4.0</u>	<u>28.9</u>	<u>7.0</u>	<u>-2.8</u>	<u>9.3</u>	<u>12.2</u>	n/a	Per capita: ²														Taxpayer-supported	792	718	681	724	724	753	793	889	937	1,053	1,154	1,270	4.4	Self-supported	609	605	544	529	539	561	554	819	861	674	717	783	2.3	Total	<u>1,401</u>	<u>1,323</u>	<u>1,225</u>	<u>1,252</u>	<u>1,263</u>	<u>1,314</u>	<u>1,346</u>	<u>1,708</u>	<u>1,798</u>	<u>1,727</u>	<u>1,871</u>	<u>2,053</u>	3.5	Real Per Capita Capital Spending (2022 \$) ³	<u>1,750</u>	<u>1,635</u>	<u>1,514</u>	<u>1,533</u>	<u>1,529</u>	<u>1,562</u>	<u>1,567</u>	<u>1,935</u>	<u>1,990</u>	<u>1,898</u>	<u>2,000</u>	<u>2,053</u>	1.5	Growth rate (per cent)	-7.1	-6.6	-7.4	1.2	-0.3	2.2	0.4	23.5	2.8	-4.7	5.4	2.7	n/a																																																																																																																																																										
Total capital spending	<u><u>6,309</u></u>	<u><u>6,044</u></u>	<u><u>5,670</u></u>	<u><u>5,895</u></u>	<u><u>6,032</u></u>	<u><u>6,384</u></u>	<u><u>6,637</u></u>	<u><u>8,558</u></u>	<u><u>9,158</u></u>	<u><u>8,903</u></u>	<u><u>9,732</u></u>	<u><u>10,920</u></u>	5.1																																																																																																																																																																																																																																																																																																																																																																												
Per cent of Nominal GDP: ¹																																																																																																																																																																																																																																																																																																																																																																																									
Taxpayer-supported	1.6	1.5	1.4	1.4	1.4	1.4	1.4	1.5	1.5	1.8	1.7	1.7	0.6																																																																																																																																																																																																																																																																																																																																																																												
Self-supported	1.3	1.2	1.1	1.0	1.0	1.0	1.0	1.4	1.4	1.1	1.1	1.1	-1.4																																																																																																																																																																																																																																																																																																																																																																												
Total	<u>2.9</u>	<u>2.7</u>	<u>2.5</u>	<u>2.4</u>	<u>2.4</u>	<u>2.4</u>	<u>2.4</u>	<u>2.9</u>	<u>3.0</u>	<u>2.9</u>	<u>2.8</u>	<u>2.8</u>	-0.2																																																																																																																																																																																																																																																																																																																																																																												
Growth rates:																																																																																																																																																																																																																																																																																																																																																																																									
Taxpayer-supported	-13.3	-8.0	-3.9	8.1	1.5	5.8	6.8	13.9	7.2	13.7	10.6	12.5	n/a																																																																																																																																																																																																																																																																																																																																																																												
Self-supported	11.1	0.8	-8.9	-1.2	3.4	5.9	0.1	50.5	6.8	-20.8	7.3	11.7	n/a																																																																																																																																																																																																																																																																																																																																																																												
Total	<u>-4.1</u>	<u>-4.2</u>	<u>-6.2</u>	<u>4.0</u>	<u>2.3</u>	<u>5.8</u>	<u>4.0</u>	<u>28.9</u>	<u>7.0</u>	<u>-2.8</u>	<u>9.3</u>	<u>12.2</u>	n/a																																																																																																																																																																																																																																																																																																																																																																												
Per capita: ²																																																																																																																																																																																																																																																																																																																																																																																									
Taxpayer-supported	792	718	681	724	724	753	793	889	937	1,053	1,154	1,270	4.4																																																																																																																																																																																																																																																																																																																																																																												
Self-supported	609	605	544	529	539	561	554	819	861	674	717	783	2.3																																																																																																																																																																																																																																																																																																																																																																												
Total	<u>1,401</u>	<u>1,323</u>	<u>1,225</u>	<u>1,252</u>	<u>1,263</u>	<u>1,314</u>	<u>1,346</u>	<u>1,708</u>	<u>1,798</u>	<u>1,727</u>	<u>1,871</u>	<u>2,053</u>	3.5																																																																																																																																																																																																																																																																																																																																																																												
Real Per Capita Capital Spending (2022 \$) ³	<u>1,750</u>	<u>1,635</u>	<u>1,514</u>	<u>1,533</u>	<u>1,529</u>	<u>1,562</u>	<u>1,567</u>	<u>1,935</u>	<u>1,990</u>	<u>1,898</u>	<u>2,000</u>	<u>2,053</u>	1.5																																																																																																																																																																																																																																																																																																																																																																												
Growth rate (per cent)	-7.1	-6.6	-7.4	1.2	-0.3	2.2	0.4	23.5	2.8	-4.7	5.4	2.7	n/a																																																																																																																																																																																																																																																																																																																																																																												

¹ Capital spending as a per cent of GDP is calculated using GDP for the calendar year ending in the fiscal year (e.g. 2022/23 amounts divided by GDP for the 2022 calendar year). As nominal GDP for the calendar year ending 2022 is not available, the 2022 GDP projected in the February 2023 budget has been used for the fiscal year ended March 31, 2023 for demonstration purposes. Totals may not add due to rounding.

² Per capita capital spending is calculated using July 1 population (e.g. 2022/23 amounts divided by population on July 1, 2022). Totals may not add due to rounding.

³ Capital spending is converted to real (inflation-adjusted) terms using the consumer price index (CPI) for the corresponding calendar year (e.g. 2022 CPI for 2022/23 capital spending).

Table A2.10 Provincial Debt – 2011/12 to 2022/23

(\$ millions)	Actual 2011/12	Actual 2012/13	Actual 2013/14	Actual 2014/15	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Average annual change (per cent)
Taxpayer-supported debt:													
Provincial government													
Operating	7,813	9,408	10,223	9,280	8,034	4,644	1,156	-	-	8,746	7,233	-	n/a
Capital ²													
K-12 education	6,374	6,804	7,217	7,572	8,012	8,454	8,891	8,885	9,757	10,529	11,342	10,893	5.0
Post-secondary institutions	3,500	3,644	3,747	3,860	4,063	4,285	4,584	4,607	4,917	5,426	5,732	5,502	4.2
Health facilities	4,138	4,430	4,732	5,105	5,416	5,835	6,141	6,173	6,705	7,484	8,223	8,286	6.5
Ministries general capital	808	1,073	1,372	1,698	1,987	2,288	2,718	2,363	3,133	3,702	4,087	4,549	17.0
Transportation	2,174	2,174	2,174	2,174	2,174	2,174	5,682	5,401	5,401	5,401	5,401	5,391	8.6
Social housing	302	363	378	413	428	449	619	619	805	1,062	1,424	1,648	16.7
Other	242	242	242	242	242	242	242	242	252	268	278	269	1.0
Total capital	17,538	18,730	19,862	21,064	22,322	23,727	28,877	28,290	30,970	33,872	36,487	36,538	6.9
Total provincial government	25,351	28,138	30,085	30,344	30,356	28,371	30,033	28,290	30,970	42,618	43,720	36,538	3.4
Taxpayer-supported entities:													
School districts	33	26	28	28	21	19	17	19	18	24	25	21	-4.0
Post-secondary institutions	685	671	639	658	668	699	744	763	753	882	922	910	2.6
Health authorities & hospital societies	1,155	1,261	1,306	1,417	1,582	1,717	1,762	1,795	1,802	1,875	1,839	1,983	5.0
BC Transportation Financing Authority	6,287	7,084	7,912	8,428	9,177	9,974	10,388	11,293	12,193	13,321	14,615	18,992	10.6
BC Pavilion Corporation	150	150	149	148	156	143	141	138	135	132	129	126	-1.6
BC Transit	183	163	143	123	106	94	84	73	65	60	56	53	-10.7
InBC Investment Corp	398	363	440	414	304	217	161	70	45	37	19	21	-23.5
Social housing	372	295	341	302	332	246	259	225	222	770	974	1,241	11.6
Other	45	31	25	18	17	19	18	15	26	31	42	49	0.8
Total taxpayer-supported entities	9,308	10,044	10,983	11,536	12,363	13,128	13,574	14,391	15,259	17,132	18,621	23,396	8.7
Total taxpayer-supported debt	34,659	38,182	41,068	41,880	42,719	41,499	43,607	42,681	46,229	59,750	62,341	59,934	5.1
Self-supported debt:													
Commercial Crown corporations and agencies													
BC Hydro	12,978	14,167	15,559	16,544	17,929	19,685	19,990	22,064	23,238	24,650	25,611	26,707	6.8
BC Liquor Distribution Branch	-	-	-	-	-	-	-	-	210	233	230	242	4.8
BC Lottery Corporation	90	132	155	140	150	145	155	100	233	228	195	201	7.6
Columbia Basin power projects	481	475	470	464	459	448	433	418	1,387	1,349	1,319	1,298	9.4
Columbia Power Corporation	-	-	-	300	296	291	286	282	276	271	266	270	20.1
Post-secondary institution subsidiaries	173	215	198	222	310	340	418	387	504	520	615	685	13.3
Transportation Investment Corporation	1,779	2,610	3,209	3,335	3,355	3,398	-	-	-	-	-	-	n/a
Other	33	35	34	35	33	31	30	30	84	99	89	89	9.4
Total self-supported debt	15,534	17,634	19,625	21,040	22,532	24,338	21,312	23,281	25,932	27,350	28,325	29,492	6.0
Total provincial debt	50,193	55,816	60,693	62,920	65,251	65,837	64,919	65,962	72,161	87,100	90,666	89,426	5.4

Table A2.11 Provincial Debt Supplementary Information – 2011/12 to 2022/23

(\$ millions)	Actual 2011/12	Actual 2012/13	Actual 2013/14	Actual 2014/15	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Average annual change (per cent)
Per cent of nominal GDP: ¹													
Taxpayer-supported debt:													
Provincial government direct operating	3.6	4.2	4.4	3.8	3.2	1.8	0.4	-	-	2.8	2.1	-	n/a
Provincial government capital	8.0	8.4	8.6	8.6	8.9	9.0	10.2	9.5	10.0	11.0	10.4	9.4	1.4
Total provincial government	11.6	12.6	13.0	12.4	12.1	10.8	10.6	9.5	10.0	13.9	12.5	9.4	-1.9
Taxpayer-supported entities	4.3	4.5	4.8	4.7	4.9	5.0	4.8	4.8	4.9	5.6	5.3	6.0	3.2
Total taxpayer-supported debt	15.8	17.1	17.8	17.2	17.0	15.7	15.4	14.4	15.0	19.5	17.8	15.4	-0.3
Self-supported debt:													
Commercial Crown corporations and agencies	7.1	7.9	8.5	8.6	9.0	9.2	7.6	7.8	8.4	8.9	8.1	7.6	0.6
Total provincial debt	22.9	25.0	26.3	25.8	26.0	24.9	23.0	22.2	23.4	28.4	25.9	23.0	0.0
Growth rates (per cent):													
Taxpayer-supported debt:													
Provincial government direct operating	12.2	20.4	8.7	-9.2	-13.4	-42.2	-75.1	-100.0	-	-	-17.3	-100.0	n/a
Provincial government capital	8.4	6.8	6.0	6.1	6.0	6.3	21.7	-2.0	9.5	9.4	7.7	0.1	n/a
Taxpayer-supported entities	7.2	7.9	9.3	5.0	7.2	6.2	3.4	6.0	6.0	12.3	8.7	25.6	n/a
Total taxpayer-supported debt	8.9	10.2	7.6	2.0	2.0	-2.9	5.1	-2.1	8.3	29.2	4.3	-3.9	n/a
Self-supported debt:													
Commercial Crown corporations and agencies	16.5	13.5	11.3	7.2	7.1	8.0	-12.4	9.2	11.4	5.5	3.6	4.1	n/a
Total provincial debt	11.2	11.2	8.7	3.7	3.7	0.9	-1.4	1.6	9.4	20.7	4.1	-1.4	n/a
Per capita: ²													
Taxpayer-supported debt:													
Provincial government direct operating	1,735	2,060	2,208	1,971	1,682	956	235	-	-	1,696	1,390	-	n/a
Provincial government capital	3,896	4,101	4,290	4,475	4,673	4,883	5,858	5,646	6,079	6,570	7,014	6,869	5.3
Taxpayer-supported entities	2,067	2,199	2,372	2,451	2,588	2,702	2,754	2,872	2,995	3,323	3,579	4,398	7.1
Total taxpayer-supported debt	7,698	8,361	8,870	8,897	8,944	8,540	8,846	8,518	9,074	11,590	11,983	11,267	3.5
Self-supported debt:													
Commercial Crown corporations and agencies	3,450	3,861	4,239	4,470	4,717	5,009	4,323	4,646	5,090	5,305	5,445	5,544	4.4
Total provincial debt	11,149	12,222	13,108	13,367	13,661	13,549	13,170	13,165	14,164	16,895	17,428	16,812	3.8
Real Per Capita Provincial Debt (2022 \$) ³	13,924	15,096	16,205	16,357	16,537	16,106	15,330	14,918	15,684	18,566	18,631	16,812	1.7
Growth rate (per cent)	7.7	8.4	7.3	0.9	1.1	-2.6	-4.8	-2.7	5.1	18.4	0.4	-9.8	n/a

¹ Debt as a per cent of GDP is calculated using GDP for the calendar year ending in the fiscal year (e.g. 2022/23 debt divided by GDP for the 2022 calendar year). As nominal GDP for the calendar year ending in 2022 is not available, the 2022 GDP projected in the February 2023 budget has been used for the fiscal year ended March 31, 2023 for demonstration purposes. Totals may not add due to rounding.

² Per capita debt is calculated using July 1 population (e.g. 2022/23 debt divided by population on July 1, 2022). Totals may not add due to rounding.

³ Debt is converted to real (inflation-adjusted) terms using the consumer price index (CPI) for the corresponding calendar year (e.g. 2022 CPI for 2022/23 debt).

Table A2.12 Key Provincial Debt Indicators – 2011/12 to 2022/23 ¹

	Actual 2011/12	Actual 2012/13	Actual 2013/14	Actual 2014/15	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Average annual change (per cent)
Debt to revenue (per cent)													
Total provincial	94.7	104.1	107.8	106.6	105.9	99.3	94.7	89.5	95.9	115.1	104.3	90.6	-0.4
Taxpayer-supported	85.1	93.6	96.4	94.1	91.3	81.8	82.5	75.0	80.6	101.2	90.8	74.3	-1.2
Debt per capita (\$) ²													
Total provincial	11,149	12,222	13,108	13,367	13,661	13,549	13,170	13,165	14,164	16,895	17,428	16,813	3.8
Taxpayer-supported	7,698	8,361	8,870	8,897	8,944	8,540	8,846	8,518	9,074	11,590	11,983	11,268	3.5
Debt to nominal GDP (per cent) ³													
Total provincial	22.9	25.0	26.3	25.8	26.0	24.9	23.0	22.2	23.4	28.4	25.9	23.0	0.0
Taxpayer-supported	15.8	17.1	17.8	17.2	17.0	15.7	15.4	14.4	15.0	19.5	17.8	15.4	-0.3
Interest bite (cents per dollar of revenue) ⁴													
Total provincial	4.3	4.4	4.3	4.3	4.7	3.8	4.0	3.8	3.8	3.7	3.3	3.2	-2.9
Taxpayer-supported	4.0	3.9	3.7	3.7	4.1	3.2	3.3	3.2	3.1	3.1	2.8	2.5	-4.1
Interest costs (\$ millions)													
Total provincial	2,300	2,339	2,444	2,525	2,919	2,521	2,759	2,786	2,872	2,817	2,848	3,114	2.8
Taxpayer-supported	1,625	1,600	1,583	1,651	1,932	1,644	1,725	1,793	1,807	1,832	1,896	2,030	2.0
Interest rate (per cent) ⁵													
Taxpayer-supported	4.9	4.4	4.0	4.0	4.6	3.9	4.1	4.2	4.1	3.5	3.1	3.3	-3.5
Revenue Factor for Key Indicators (\$ millions)													
Total provincial ⁶	53,001	53,637	56,279	59,018	61,589	66,334	68,551	73,734	75,283	75,691	86,903	98,655	5.8
Taxpayer-supported ⁷	40,742	40,775	42,611	44,514	46,805	50,726	52,866	56,881	57,386	59,033	68,658	80,647	6.4
Debt (\$ millions)													
Total provincial	50,193	55,816	60,693	62,920	65,251	65,837	64,919	65,962	72,161	87,100	90,666	89,426	5.4
Taxpayer-supported ⁸	34,659	38,182	41,068	41,880	42,719	41,499	43,607	42,681	46,229	59,750	62,341	59,934	5.1
Provincial nominal GDP (\$ millions) ⁹	218,771	223,328	230,981	243,872	250,784	263,912	282,283	297,392	308,993	306,947	350,598	389,129	5.4
Population (thousands at July 1) ¹⁰	4,502	4,567	4,630	4,707	4,776	4,859	4,929	5,010	5,095	5,155	5,202	5,319	1.5

¹ Figures for prior years have been restated to conform with the presentation used for 2022/23 and to include the effects of changes in underlying data and statistics.

² The ratio of debt to population (e.g. 2022/23 debt divided by population at July 1, 2022).

³ The ratio of debt outstanding at fiscal year end to provincial nominal gross domestic product (GDP) for the calendar year ending in the fiscal year (e.g. 2022/23 debt divided by 2022 nominal GDP). As nominal GDP for the calendar year ending is not available, the 2022 GDP projected in the February 2023 budget has been used for the fiscal year ended March 31, 2023 for demonstration purposes.

⁴ The ratio of interest costs (less sinking fund interest) to revenue. Figures include capitalized interest expense in order to provide a more comparable measure to outstanding debt.

⁵ Weighted average of all outstanding debt issues.

⁶ Includes revenue of the consolidated revenue fund (excluding dividends from enterprises) plus revenue of all government organizations and enterprises.

⁷ Excludes revenue of government enterprises, but includes dividends from enterprises paid to the consolidated revenue fund.

⁸ Excludes debt of commercial Crown corporations and agencies and funds held under the province's warehouse borrowing

⁹ Nominal GDP for the calendar year ending in the fiscal year (e.g. Nominal GDP for 2022 is used for the fiscal year ended March 31, 2023). As nominal GDP for the calendar year ending 2022 is not available, the 2022 GDP projected in the February 2023 budget has been used for the fiscal year ended March 31, 2023 for demonstration purposes.

¹⁰ Population at July 1st within the fiscal year (e.g. population at July 1, 2022 is used for the fiscal year ended March 31, 2023).

Table A2.13 Historical Operating Statement Surplus (Deficit)

(\$ millions)	Consolidated Revenue Fund			Crown Corporations and Agencies	SUCH Sector	Other Adjustments	Surplus (Deficit) ¹	Surplus (Deficit) as a Per Cent of GDP
	Revenue	Expenditure	Balance					
1970/71	1,373	1,274	99	-	-	-	-	1.0
1971/72	1,558	1,474	84	-	-	-	-	0.8
1972/73	1,772	1,675	97	-	-	-	-	0.8
1973/74	2,217	2,071	146	-	-	-	-	0.9
1974/75	2,769	2,779	(10)	-	-	-	-	(0.1)
1975/76	3,124	3,534	(410)	-	-	-	-	(2.1)
1976/77	3,785	3,691	94	-	-	-	-	0.4
1977/78	4,372	4,168	204	-	-	-	-	0.8
1978/79	4,853	4,582	271	-	-	-	-	0.9
1979/80 ¹	5,860	5,318	542	(88)	-	-	454	1.3
1980/81	5,982	6,239	(257)	45	-	-	(212)	(0.5)
1981/82	7,139	7,323	(184)	43	-	-	(141)	(0.3)
1982/83	7,678	8,662	(984)	(257)	-	-	(1,241)	(2.7)
1983/84	8,335	9,347	(1,012)	49	-	-	(963)	(2.0)
1984/85	8,807	9,801	(994)	172	-	-	(822)	(1.6)
1985/86	9,160	10,127	(967)	110	-	-	(857)	(1.5)
1986/87	9,463	10,624	(1,161)	526	-	-	(635)	(1.1)
1987/88	11,007	11,055	(48)	119	-	-	71	0.1
1988/89	12,570	11,834	736	194	-	-	930	1.3
1989/90	13,656	13,200	456	40	-	-	496	0.6
1990/91	14,236	15,010	(774)	107	-	-	(667)	(0.8)
1991/92	14,570	17,101	(2,531)	192	-	-	(2,339)	(2.8)
1992/93	16,172	17,858	(1,686)	210	-	-	(1,476)	(1.6)
1993/94	17,923	18,833	(910)	11	-	-	(899)	(0.9)
1994/95	19,506	19,953	(447)	219	-	-	(228)	(0.2)
1995/96	19,698	20,054	(356)	38	-	-	(318)	(0.3)
1996/97	20,126	20,241	(115)	(270)	-	-	(385)	(0.3)
1997/98	20,216	20,368	(152)	(258)	-	-	(410)	(0.3)
1998/99	20,312	20,530	(218)	(689)	(88)	-	(995)	(0.8)
1999/2000	21,836	22,161	(325)	345	(73)	-	(53)	0.0
2000/01	23,948	22,675	1,273	(171)	105	(52) ³	1,155	0.8
2001/02	22,987	24,981	(1,994) ²	(711) ²	147	1,4643	(1,094)	(0.8)
2002/03	22,205	25,168	(2,963)	(216)	494	-	(2,685)	(1.9)
2003/04	23,408	25,481	(2,073)	347	337	-	(1,389)	(0.9)
2004/05	27,562	26,310	1,252	1,035	361	-	2,648	1.6
2005/06	29,711	27,178	2,533	550	562	(710) ⁴	2,935	1.7
2006/07	31,506	28,510	2,996	841	372	(264) ⁴	3,945	2.1
2007/08	32,317	30,569	1,748	995	410	(444) ^{4,5}	2,709	1.4
2008/09	30,926	32,036	(1,110)	975	153	18 ^{4,5}	36	0.0
2009/10	29,133	32,277	(3,144)	803	492	-	(1,849)	(0.9)
2010/11	32,807	33,581	(774)	(219)	710	-	(283)	(0.1)
2011/12	33,269	34,595	(1,326)	239	807	(1,599) ⁶	(1,879)	(0.9)
2012/13	33,363	35,125	(1,762)	95	482	-	(1,185)	(0.5)
2013/14	34,657	34,896	(239)	155	360	-	276	0.1
2014/15	36,802	36,063	739	199	684	-	1,622	0.7
2015/16	38,313	37,722	591	(621)	762	-	732	0.3
2016/17	41,850	39,669	2,181	(168)	715	-	2,728	1.0
2017/18	43,659	45,737	(2,078)	1,270	1,084	-	276	0.1
2018/19	47,104	45,161	1,943	(1,289)	840	-	1,494	0.5
2019/20	46,746	47,824	(1,078)	(416)	1,132	-	(362)	(0.1)
2020/21	48,317	57,888	(9,571)	1,847	2,217	-	(5,507)	(1.8)
2021/22	57,465	58,716	(1,251)	450	2,066	-	1,265	0.4
2022/23	67,764	68,322	(558)	(158)	1,420	-	704	0.2

¹ The provincial government began publishing summary financial statements in 1979/80. Figures for prior years are unavailable. For 1970/71 to 1978/79, the CRF balance is used in place of the summary accounts surplus/(deficit).

² Does not include the \$256 million transfer to the CRF for the wind-up of Forest Renewal BC and Fisheries Renewal BC.

³ Impact of move to joint trusteeship for public service pension plans.

⁴ Negotiating framework incentive payments.

⁵ Climate Action Dividend.

⁶ One-time HST transition repayment.

Table A2.14 Historical Provincial Debt Summary¹

Year	Taxpayer-Supported Debt					Total Taxpayer-Supported Debt	Self-Supported Debt ³	Total Provincial Debt	Total Debt as a Per Cent of GDP	Taxpayer-Supported Debt as a Per Cent of GDP
	Provincial Government Direct Operating	Education Facilities Capital Financing	Health Facilities Capital Financing	Highways, Ferries and Public Transit	Other ²					
	(\$ millions)								(per cent)	
1969/70	-	338	42	142	100	622	1,661	2,283	24.7	6.7
1970/71	-	362	64	172	99	697	1,808	2,505	25.6	7.1
1971/72	-	380	85	233	95	793	1,948	2,741	24.9	7.2
1972/73	-	408	105	288	87	888	2,062	2,950	23.8	7.2
1973/74	-	425	117	340	145	1,027	2,228	3,255	21.1	6.7
1974/75	-	485	133	386	149	1,153	2,650	3,803	21.3	6.5
1975/76	-	557	178	544	145	1,424	3,144	4,568	23.1	7.2
1976/77	261	658	236	649	188	1,992	3,787	5,779	24.4	8.4
1977/78	261	710	291	656	215	2,133	4,464	6,597	24.9	8.1
1978/79	261	778	334	653	91	2,117	4,838	6,955	23.3	7.1
1979/80	235	836	401	730	195	2,397	5,704	8,101	23.3	6.9
1980/81	209	919	461	729	270	2,588	5,956	8,544	21.6	6.5
1981/82	183	1,067	561	844	291	2,946	7,227	10,173	21.8	6.3
1982/83	883	1,204	660	1,024	894	4,665	7,692	12,357	26.5	10.0
1983/84	1,596	1,321	712	1,392	1,174	6,195	8,440	14,635	29.7	12.6
1984/85	2,476	1,308	717	691	1,276	6,468	9,082	15,550	30.0	12.5
1985/86	3,197	1,276	680	1,034	1,376	7,563	8,990	16,553	29.7	13.6
1986/87	4,802	1,268	681	1,097	812	8,660	8,485	17,145	29.1	14.7
1987/88	5,017	1,278	716	1,192	660	8,863	8,149	17,012	26.1	13.6
1988/89	4,919	1,322	763	1,213	842	9,059	7,396	16,455	22.8	12.6
1989/90	4,209	1,367	837	1,244	1,262	8,919	7,340	16,259	20.7	11.4
1990/91	4,726	1,565	959	1,287	1,281	9,818	7,444	17,262	21.0	11.9
1991/92	6,611	1,939	1,040	1,527	1,431	12,548	7,493	20,041	23.6	14.8
1992/93	8,969	2,426	1,141	1,719	1,641	15,896	7,526	23,422	25.9	17.6
1993/94	10,257	3,054	1,181	1,862	1,627	17,981	7,946	25,927	26.7	18.5
1994/95	10,181	3,631	1,318	2,158	1,749	19,037	8,013	27,050	26.1	18.4
1995/96	10,237	3,990	1,399	2,598	1,695	19,919	8,847	28,766	26.3	18.2
1996/97	11,030	4,230	1,431	3,144	1,440	21,275	8,096	29,371	26.1	18.9
1997/98	11,488	4,352	1,417	3,463	1,431	22,151	8,204	30,355	25.6	18.7
1998/99	11,707	5,023	1,494	3,678	1,330	23,232	8,910	32,142	26.8	19.4
1999/2000	13,295	5,429	1,679	3,527	1,276	25,206	9,232	34,438	27.4	20.1
2000/01	11,578	5,737	2,028	4,234	1,527	25,104	8,684	33,788	24.8	18.4
2001/02	13,319	6,118	2,186	4,685	1,196	27,504	8,578	36,082	26.0	19.8
2002/03	14,957	6,394	2,265	4,835	919	29,370	7,487	36,857	25.6	20.4
2003/04	15,180	6,829	2,343	4,931	717	30,000	7,775	37,775	24.9	19.7
2004/05	13,969	7,122	2,253	4,644	660	28,648	7,221	35,869	21.8	17.4
2005/06	11,343	7,612	2,635	4,883	742	27,215	7,242	34,457	19.4	15.4
2006/07	8,889	8,026	3,053	5,436	533	25,937	7,502	33,439	17.6	13.6
2007/08	7,604	8,638	3,511	6,143	653	26,549	8,088	34,637	17.3	13.2
2008/09	5,744	9,133	3,936	6,831	758	26,402	11,612	38,014	18.4	12.8
2009/10	7,359	9,601	4,389	7,502	1,117	29,968	11,917	41,885	21.1	15.1
2010/11	6,964	10,108	4,895	8,095	1,759	31,821	13,333	45,154	21.8	15.4
2011/12	7,813	10,592	5,293	8,644	2,317	34,659	15,534	50,193	22.9	15.8
2012/13	9,408	11,145	5,691	9,421	2,517	38,182	17,634	55,816	25.0	17.1
2013/14	10,223	11,631	6,038	10,229	2,947	41,068	19,625	60,693	26.3	17.8
2014/15	9,280	12,118	6,522	10,725	3,235	41,880	21,040	62,920	25.8	17.2
2015/16	8,034	12,764	6,998	11,457	3,466	42,719	22,532	65,251	26.0	17.0
2016/17	4,644	13,457	7,552	12,242	3,604	41,499	24,338	65,837	24.9	15.7
2017/18	1,156	14,236	7,903	16,154	4,158	43,607	21,312	64,919	23.0	15.4
2018/19	-	14,274	7,968	16,767	3,672	42,681	23,281	65,962	22.2	14.4
2019/20	-	15,445	8,507	17,659	4,618	46,229	25,932	72,161	23.4	15.0
2020/21	8,746	16,861	9,359	18,782	6,002	59,750	27,350	87,100	28.4	19.5
2021/22	7,233	18,021	10,062	20,072	6,953	62,341	28,325	90,666	25.9	17.8
2022/23	-	17,326	10,269	24,436	7,903	59,934	29,492	89,426	23.0	15.4

¹ Provincial debt is prepared in accordance with Generally Accepted Accounting Principles and presented consistent with the Debt Summary Report included in the *Public Accounts*. Debt is shown net of sinking funds and unamortized discounts, excludes accrued interest, and includes non-guaranteed debt directly incurred by commercial Crown corporations and debt guaranteed by the Province.

² Includes BC Buildings, BC Housing Management Commission, Provincial Rental Housing Corporation, other taxpayer-supported Crown agencies, and loan guarantee provisions.

³ Includes commercial Crown corporations and agencies and funds held under the province's warehouse borrowing program.

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FIRST QUARTERLY REPORT SEPTEMBER 2023



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FIRST QUARTERLY REPORT

FISCAL PLAN UPDATE

2023/24 – 2025/26

2023/24 ECONOMIC OUTLOOK AND
FINANCIAL FORECAST

&

THREE MONTH RESULTS

APRIL - JUNE 2023



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(\$ millions)	2023/24	2024/25	2025/26
Deficit - Budget 2023	(4,216)	(3,754)	(3,043)
Fiscal Plan Updates:			
Personal income tax	(522)	(556)	(579)
Corporate income tax	99	1,165	(561)
Sales tax	175	195	191
Carbon tax	(111)	(113)	(114)
Property transfer tax	151	104	94
Other taxation revenue	77	57	78
Natural gas royalties	(1,179)	(469)	(336)
Other natural resources revenue	(201)	(89)	25
Contributions from the federal government - DFAA	(420)	459	181
Contributions from the federal government - other	319	13	45
Other revenue	150	246	287
Wildfires	(762)	-	-
Other spending changes	(234)	(405)	(405)
Deficit - First Quarterly Report	(6,674)	(3,147)	(4,137)
Prudence included in fiscal plan:			
Contingencies - General, CleanBC and Climate & Emergency Response	(4,500)	(4,800)	(4,700)
Pandemic Recovery Contingencies	(1,000)	-	-
Forecast allowance	(700)	(500)	(500)
Capital Spending:			
Taxpayer-supported capital spending	12,180	12,639	13,076
Self-supported capital spending	4,073	4,117	2,853
	16,253	16,756	15,929
Provincial Debt:			
Taxpayer-supported debt	70,772	84,737	98,130
Self-supported debt	31,562	34,092	34,713
Total debt (including forecast allowance)	103,034	119,329	133,343
Taxpayer-supported debt-to-GDP ratio	17.6%	20.3%	22.6%
Taxpayer-supported debt-to-revenue ratio	95.5%	108.7%	124.6%

Financial Outlook

The *First Quarterly Report* shows an increased deficit forecast for 2023/24 mainly due to lower natural gas royalties, lower personal income tax, and higher spending for wildfire response. The deficit projection is lower in 2024/25 but higher in 2025/26 reflecting updated revenue forecasts for corporate income tax and other streams, as outlined in this report.

Compared to *Budget 2023*, revenue forecasts are lower by \$1.5 billion in 2023/24, higher by \$1.0 billion in 2024/25 and lower by \$689 million in 2025/26. Expense projections are higher by \$996 million in 2023/24 and by \$405 million in 2024/25 and 2025/26. These changes result in a forecast deficit of \$6.7 billion in 2023/24, \$3.1 billion in 2024/25, and \$4.1 billion in 2025/26, as shown in the table above.

Personal income taxation revenue is lower by \$1.7 billion over the fiscal plan mainly reflecting preliminary 2022 income tax returns. Corporate income tax projections have shifted based on the federal government’s updated forecast of national corporate taxable income, with an increase in 2024/25 and reduction in 2025/26. This is in contrast to last year’s first quarterly update, when the income tax data showed significant improvements.

Over the three years, natural resource revenue is forecast to be \$2.2 billion lower than at *Budget 2023*, mostly from natural gas royalties as a result of lower prices. The updated natural gas price forecast for 2023/24 is \$1.29 (\$Cdn/gigajoule, plant inlet), down from the budget outlook (\$3.04), a 58 per cent reduction. The Ministry of Finance incorporates a prudent forecast for natural gas revenue, using a price forecast that is within the 20th percentile of the private sector forecasts.

Contributions from the federal government are higher mainly as a result of a one-time top-up payment of \$273 million under the Canada Health Transfer. Also, funding under the Disaster Financial Assistance Arrangements is re-profiled to reflect updated spending timelines.

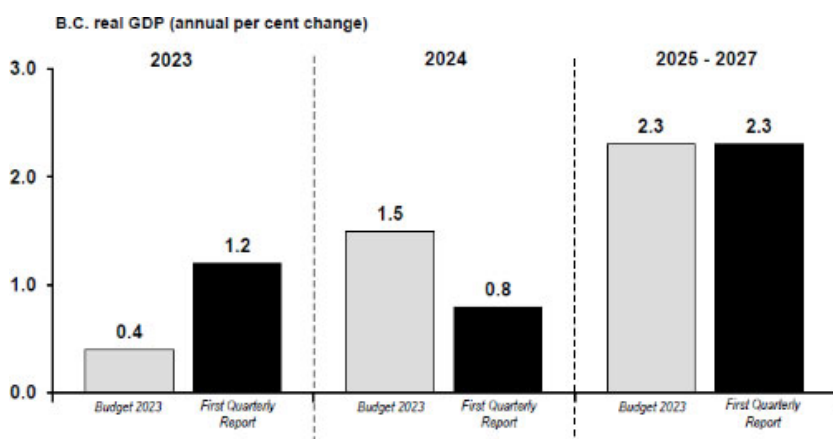
Compared to budget, expenses in 2023/24 are expected to be higher mainly as a result of wildfire response costs, as the province faces record-breaking wildfires in many areas. The updated expense outlook also includes higher spending by government organizations, higher interest expense and lower uptake of refundable tax credits.

Economic Outlook

B.C.'s economy continues to be resilient, despite the higher-than-expected interest rate environment. Employment has posted modest gains, and consumer spending has been supported by strong population growth. Total inflation has eased from 8.1 per cent in May 2022 to 3.0 per cent in July 2023. Housing markets are adjusting to higher interest rates, with increased home sales activity in recent months, and robust new home construction. However, merchandise exports have declined in the first half of 2023, reflecting weaker demand from B.C.'s trading partners and lower prices for key commodities compared to the first half of 2022.

The *First Quarterly Report* forecast for B.C. real GDP growth in 2023 has been revised up to 1.2 per cent from the *Budget 2023* forecast of 0.4 per cent, and the forecast for 2024 has been revised down to 0.8 per cent from 1.5 per cent. This revision largely reflects weaker exports and the impact of higher interest rates over a longer than expected period, with increased borrowing costs weighing on consumer spending and business investment.

British Columbia's Real GDP Outlook



The economic outlook over the 2025 to 2027 period is relatively unchanged from the *Budget 2023* forecast. Over this period, inflation is expected to normalize and interest rates are expected to stabilize.

Capital Investments

Taxpayer-supported capital spending on hospitals, education facilities, transportation infrastructure, housing and other projects is financed through a combination of provincial borrowing, funding provided by third parties, and from internal cash flows. Taxpayer-supported capital spending is forecast to total \$37.9 billion over the fiscal plan period, which is \$350 million higher than the *Budget 2023* forecast mainly due to changes in the timing of capital projects and increased spending in health and social housing sectors.

Over the three years, self-supported infrastructure spending by commercial Crown corporations totals \$11.0 billion.

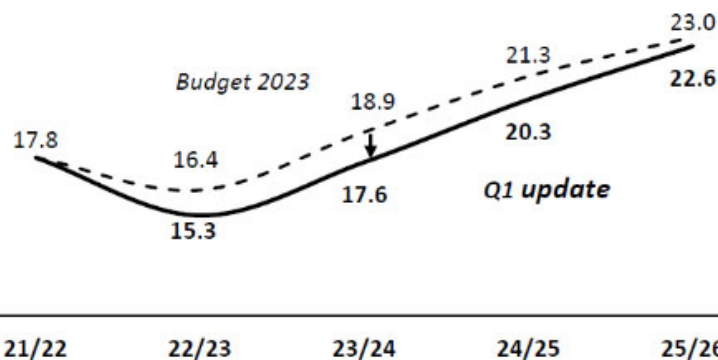
Debt Affordability

Government's key debt affordability metric, the taxpayer-supported debt-to-GDP ratio, is forecast to improve from *Budget 2023* due to lower debt balances from fiscal 2022/23 (see chart below). Taxpayer-supported debt is projected at \$98.1 billion at the end of the fiscal plan period, which is \$1.3 billion lower than the budget forecast.

B.C. continues to have low debt-affordability metrics relative to other Canadian provinces.

Taxpayer-Supported Debt-to-GDP

Per cent



Including the self-supported debt of commercial Crown corporations and a \$500 million forecast allowance, the total provincial debt is projected at \$133.3 billion by the end of 2025/26.

Risks to the Fiscal Plan

The main risks to the government’s fiscal plan include:

- risks to the B.C. economic outlook, largely due to uncertainty surrounding global economic activity, as persistent price pressures may lead to higher than anticipated interest rates for longer;
- assumptions underlying revenue and Crown corporation forecasts such as economic factors and commodity prices;
- increased spending which may include wildfire and floods response and increased demand and costs for government services such as health care and social services; and
- potential changes to federal government transfer allocations, cost-sharing agreements with the federal government, and impacts on the provincial income tax bases arising from federal tax policy and budget changes.

Government incorporates several levels of prudence in its projections to help mitigate the risks to the fiscal plan, including the following:

- economic forecast prudence, as shown by a lower outlook for B.C.’s major trading partners, resulting in a projection for B.C.’s real GDP growth that is within the range of private sector forecasters in 2023 and 2024;
- contingencies vote allocations of \$5.5 billion in 2023/24, \$4.8 billion in 2024/25 and \$4.7 billion in 2025/26 to help manage unexpected pressures including pandemic and climate change and emergency response-related costs, as well as the cost of unsigned labour agreements;
- a forecast allowance of \$700 million in 2023/24 and \$500 million in 2024/25 and 2025/26 to guard against volatility, including revenue changes; and
- the natural gas revenue forecast continues to incorporate a prudent price forecast that is within the 20th percentile of the private sector forecasts.

Conclusion

B.C.’s fiscal forecast for 2023/24 shows a higher deficit from budget, mainly as a result of lower natural gas royalties and higher spending for wildfire response. The province’s economy continues to be resilient, and debt projections have improved, maintaining the Province’s fiscal sustainability.

Government continues to invest in the priorities outlined in *Budget 2023*, including housing, health care and mental health, affordability, and climate change.

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Introduction

Table 1.1 2023/24 Forecast Update

(\$ millions)	<i>Budget 2023</i>	<i>First Quarterly Report</i>	Change
Revenue	77,690	76,228	(1,462)
Expense	(80,206)	(81,202)	(996)
Pandemic Recovery Contingencies	(1,000)	(1,000)	-
Forecast allowance	(700)	(700)	-
Surplus (Deficit)	(4,216)	(6,674)	(2,458)
Capital Spending:			
Taxpayer-supported capital spending	11,813	12,180	367
Self-supported capital spending	4,027	4,073	46
	15,840	16,253	413
Provincial Debt:			
Taxpayer-supported debt	75,617	70,772	(4,845)
Self-supported debt	31,607	31,562	(45)
Total debt (including forecast allowance)	107,924	103,034	(4,890)
Taxpayer-supported debt-to-GDP ratio	18.9%	17.6%	-1.3%
Taxpayer-supported debt-to-revenue ratio	100.1%	95.5%	-4.6%

The first quarter update for 2023/24 shows a decline in revenue and an increase in spending resulting in a deficit of \$6.7 billion — up \$2.5 billion from the budget deficit forecast of \$4.2 billion. The forecast for revenue is lower for personal income tax, carbon tax, natural gas royalties, and other natural resources, with increases in sales tax and property transfer tax. The expense forecast is higher mainly due to the wildfire response.

Details of the revenue and expense forecast changes from *Budget 2023* are shown in Chart 1.1 and Table 1.2.

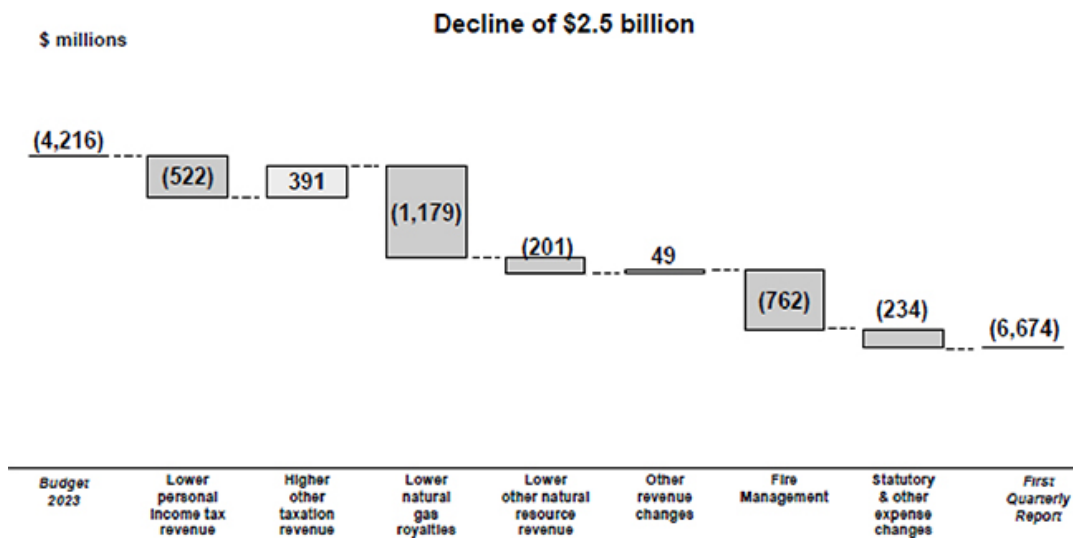
Chart 1.1 2023/24 Deficit – Major Changes from *Budget 2023*

Table 1.2 2023/24 Financial Forecast Changes

	(\$ millions)
2023/24 deficit at <i>Budget 2023</i> (February 28, 2023)	(4,216)
Revenue¹ changes:	
Personal income tax – weaker preliminary 2022 tax assessment partly offset by improvement in 2023 household income	(522)
Corporate income tax – gain in prior-year settlement payment, offset by decrease in instalments reflecting revised outlook of 2023 national corporate taxable income	99
Provincial sales tax – higher 2022/23 carry forward and year-to-date sales activity	175
Property transfer tax – due to higher than expected sales results	151
Carbon tax – lower sales volume in most fuel types reflecting prior year and year-to-date results	(111)
Tobacco tax – reflecting lower prior year and year-to-date sales results	(45)
Other taxation sources – mainly reflecting the impacts of the 2022/23 year-end and year-to-date results	122
Natural gas royalties – lower prices, volumes and natural gas liquids royalties, partly offset by decreased utilization of royalty and infrastructure programs/credit	(1,179)
Mining – lower coal prices and production, partly offset by higher copper prices	(174)
Electricity sales under the Columbia River Treaty – lower Mid-C electricity prices	(44)
Forests – mainly higher stumpage rates	40
Other natural resources – mainly lower water rental revenues, other fees and rental tenure revenue	(23)
Fees, licences, investment earnings and miscellaneous revenue:	
Post-secondary institutions	36
Other sources – mainly higher revenue from fees and investment earnings	111
Canada health and social transfers – mainly one-time funding to strengthen public health care	282
Other federal government transfers – mainly lower claims under the Disaster Financial Assistance Arrangements relating to 2021 rainstorm	(383)
Commercial Crown corporation net income	3
Total revenue changes	(1,462)
Less : expense¹ increases (decreases):	
Consolidated Revenue Fund changes:	
Statutory spending:	
Fire management costs	762
<i>Housing Priority Initiatives Special Account</i>	104
Other statutory spending	17
Refundable tax credits – mainly reflects lower film tax credits	(81)
Other expense changes – mainly higher interest costs	91
Spending funded by third party recoveries	(73)
Changes in spending profile of service delivery agencies:	
School districts	177
Universities	165
Colleges and institutes	152
Health authorities and hospital societies	1,170
Other service delivery agencies ²	455
(Increase) decrease in transfers to service delivery agencies - accounting elimination	(1,943)
Total expense changes	996
Total changes	(2,458)
2023/24 deficit at the <i>First Quarterly Report</i>	(6,674)

¹ Detailed descriptions of changes are provided in the revenue and expense sections of this report.

² Includes BC Transportation Financing Authority, BC Transit, BC Housing Management Commission, Community Living BC, and other entities.

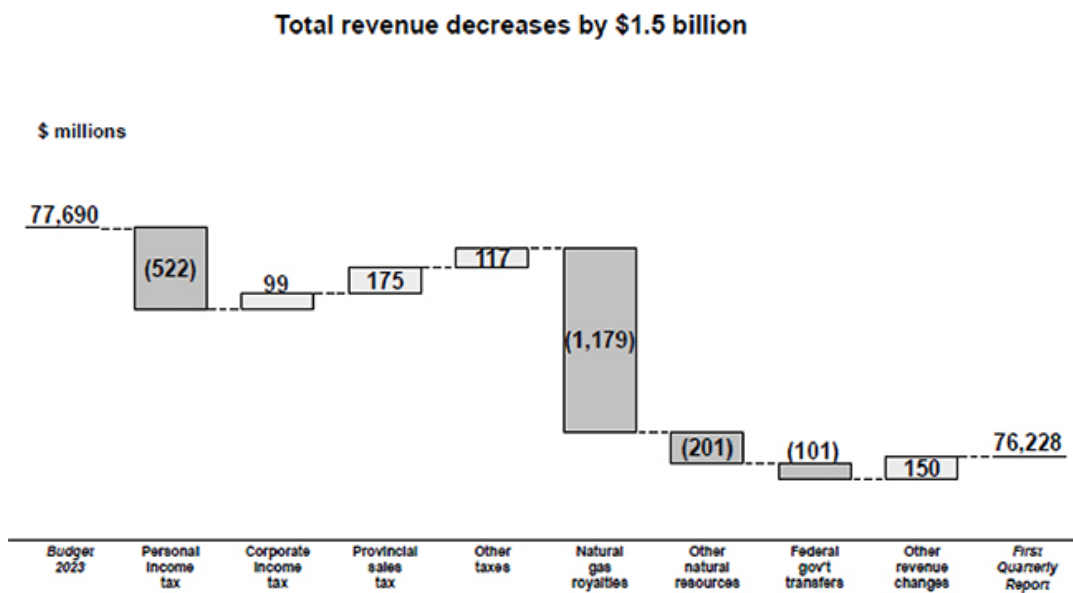
Projected taxpayer-supported capital spending in 2023/24 is \$12.2 billion, which is \$367 million higher than forecast in *Budget 2023*, with increased spending in the health sector and social housing, partly offset by lower spending in the education sector. The self-supported capital spending forecast is \$4.1 billion, with minor changes from budget.

The taxpayer-supported debt at the end of 2023/24 is forecast at \$70.8 billion, which is lower by \$4.8 billion compared to the *Budget 2023* forecast as a result of lower debt balances at the end of fiscal 2022/23 in addition to higher cash balances. Self-supported debt is forecast to be \$31.6 billion with minor changes from budget.

Revenue

Revenue for 2023/24 is forecast to be \$76.2 billion — \$1.5 billion lower than the projection in *Budget 2023*. The natural resource revenue forecast is lower by \$1.4 billion mainly reflecting lower natural gas royalties. The remaining \$138 million decrease to the revenue forecast reflects lower taxation revenue, mainly due to lower than expected preliminary 2022 income tax returns, effects of the economic update, the impacts of final 2022/23 revenue that carry forward, year-to-date results, and weaker federal government outlook of national corporate taxable income.

Chart 1.2 Revenue Changes from *Budget 2023*



Detailed revenue projections are disclosed in Table 1.8, and key assumptions and sensitivities relating to revenue are provided in Table A1. An analysis on historical volatility of major economic drivers can be found in the *2023 B.C. Financial and Economic Review* (pages 17-18). For 2023/24, the major changes from the *Budget 2023* forecast include the following:

Table 1.3 Comparison of Major Factors Underlying Revenue

Calendar Year	First Quarterly Report				Budget 2023			
	2022	2023	2024	2025	2022	2023	2024	2025
Per cent growth unless otherwise indicated								
Real GDP	3.3	1.2	0.8	2.4	2.8	0.4	1.5	2.4
Nominal GDP	11.7	2.9	3.3	4.3	11.0	2.8	3.7	4.2
Household income	6.7	6.3	4.2	4.1	7.1	6.1	4.3	4.1
Wages and salaries	10.7	5.9	5.1	4.6	11.3	6.3	5.2	4.4
Corporations net operating surplus	20.8	-11.8	-9.1	1.5	13.5	-14.5	-7.0	2.3
Employment	3.2	1.1	0.8	1.3	3.2	0.4	1.0	1.2
Consumer expenditures on durable goods	-2.6	2.0	0.8	2.2	-4.3	-3.6	0.1	2.6
Consumer expenditures on goods and services	10.4	6.4	4.7	4.4	9.6	6.9	4.9	4.2
Business investment	12.7	4.0	4.8	5.5	11.5	1.4	5.5	7.0
Residential investment	8.6	3.3	3.5	2.9	8.2	-1.5	4.7	5.3
Retail sales	3.1	2.4	2.5	3.4	3.0	1.8	2.9	3.4
Consumer Price Index	6.9	3.9	2.5	2.2	6.9	3.9	2.5	2.2
Residential sales value	-30.4	-11.6	16.9	7.4	-30.3	-19.8	20.5	8.2
B.C. Housing starts	-1.9	0.0	-9.8	-5.0	-1.9	-16.5	-5.1	2.7
U.S. Housing starts	-3.0	-11.1	-2.5	0.4	-3.0	-16.6	3.9	0.4
SPF 2x4 price (\$US/thousand board feet)	\$ 814	\$ 400	\$ 450	\$ 500	\$ 814	\$ 400	\$ 450	\$ 500
Exchange rate (US cents/Canadian dollar)	76.8	74.7	75.8	77.6	76.8	74.7	77.4	78.6
Fiscal Year	2022/23	2023/24	2024/25	2025/26	2022/23	2023/24	2024/25	2025/26
Natural gas price (\$Cdn/GJ at plant inlet)	\$ 4.09	\$ 1.29	\$ 2.03	\$ 2.33	\$ 3.81	\$ 3.04	\$ 2.69	\$ 2.55
Bonus bid average bid price per hectare (\$)	\$ 0	\$ 200	\$ 200	\$ 300	\$ 200	\$ 275	\$ 300	\$ 200
Electricity price (\$US/mega-watt hour, Mid-C)	\$ 85	\$ 93	\$ 90	\$ 92	\$ 93	\$ 108	\$ 99	\$ 95
Metallurgical coal price (\$US/tonne, fob Australia)	\$ 322	\$ 248	\$ 222	\$ 210	\$ 318	\$ 252	\$ 223	\$ 204
Copper price (\$US/lb)	\$ 3.87	\$ 3.82	\$ 3.96	\$ 4.09	\$ 3.74	\$ 3.56	\$ 3.73	\$ 3.85
Average stumpage rates (\$Cdn/cubic metre)	\$ 38.05	\$ 19.04	\$ 19.42	\$ 22.14	\$ 36.20	\$ 18.07	\$ 18.96	\$ 21.82
Crown harvest volumes (million cubic metres)	37.2	38.0	38.0	38.0	39.0	38.0	38.0	38.0

Income Tax Revenue

Personal income tax revenue is down \$522 million reflecting weaker 2022 preliminary tax assessment information, partly offset by slightly improved 2023 household income.

Corporate income tax revenue is up \$99 million as a result of improvement from prior-year settlement payments, partially offset by lower advance instalments from the federal government. The budget forecast included a \$1.1 billion prior-year settlement payment due to the federal government but instead this adjustment was recognized in the fiscal year 2022/23, reflecting the preliminary 2022 tax assessment information. This improvement is offset by lower advance instalments from the federal government. The lower forecast for advance instalments is due to a significant change in the federal government forecast for 2023 national corporate taxable income, which is expected to decline by 16.5 per cent compared to a decline of 3.1 per cent assumed at budget.

Other Tax Revenue

Provincial sales tax revenue is up \$175 million mainly due to improvements reflected in the 2022/23 *Public Accounts* that will carry forward, as well as increases in various components of taxable expenditures in 2023.

Property transfer tax revenue is up \$151 million mainly due to higher-than-expected activity in the housing market reflecting demand, consistent with higher than assumed residential sales values.

Tobacco tax revenues are down \$45 million due to lower year-to-date sales.

Fuel tax revenues are down \$30 million due to the impacts of lower 2022/23 and year-to-date sales volumes.

Carbon tax revenues are down \$111 million due to the impacts of lower 2022/23 year-end results as well as year-to-date sales volumes on major fuel types. Carbon tax projection includes a tax rate increase to \$65/tonne of carbon dioxide equivalent emissions, effective April 1, 2023, which was included in the *Budget 2023* forecast.

Other taxation revenues are up \$152 million due to higher property, insurance premium and employer health taxes reflecting the impacts of the 2022/23 results.

Natural Resources Revenue

Revenue from natural gas royalties is down \$1.2 billion mainly due to lower prices for natural gas and natural gas liquids as well as slightly lower natural gas volumes, partially offset by decreased utilization of royalty and infrastructure program credits.

The updated natural gas price forecast is \$1.29 (\$Cdn/gigajoule, plant inlet), down from the *Budget 2023* outlook (\$3.04). The price assumption is within the 20th percentile of the private sector forecasters, continuing the prudence incorporated since 2013/14. Natural gas royalty rates are sensitive to prices in the \$1.22 to \$2.42 range. Hence, the effective royalty rate is generally expected to fall as prices decrease, depending on the take up of royalty program credits. Since the prices for natural gas liquids (e.g. pentane and condensate) are more closely aligned to oil rather than natural gas, the lower byproduct royalties from these commodities reflect the expected decrease in oil prices, now forecast to be \$74.56 US/barrel in 2023/24, down 8 per cent from the budget outlook.

Revenue from coal, metals, minerals and other mining-related sources is down \$174 million mainly due to lower coal prices and production reflecting global excess coal supply. This decrease is partially offset by higher copper prices.

Revenue from electricity sales under the Columbia River Treaty is down \$44 million mainly reflecting lower Mid-C electricity prices which are closely aligned with natural gas prices. The price forecast reflects increased hydro capacity and availability of solar power in western electricity markets. Mid-C electricity prices, now forecast to be \$92.90 US/mega-watt hour, are down 14 per cent from the budget outlook.

Forest revenue is up \$40 million mainly due to higher stumpage revenue reflecting regular updates to the market pricing system. Total stumpage rates, now forecast to be \$19.04 Cdn/cubic metre, are up 5 per cent from the budget outlook.

Revenue from other natural resources is down \$23 million mainly due to decreased water rentals collected under the *Water Sustainability Act* and lower revenue related to annual natural gas and petroleum tenure payments.

Other Taxpayer-Supported Revenue

Other taxpayer-supported revenue consists of revenue from fees, licences, investment earnings and miscellaneous sources. These revenue sources are now expected to total \$10.7 billion, up \$147 million from budget.

The updated forecast for fee revenues totals \$5.3 billion, up \$81 million from budget mainly due to higher projections from post-secondary institutions and health authorities. The revised forecast for investment earnings is \$1.4 billion, up \$60 million from budget mainly due to higher interest rates. The miscellaneous revenue outlook of \$4 billion is up \$6 million from budget mainly due to increased projections from taxpayer-supported Crown entities.

Federal Government Transfers

Federal government contributions are expected to be \$13.5 billion, down \$101 million from budget.

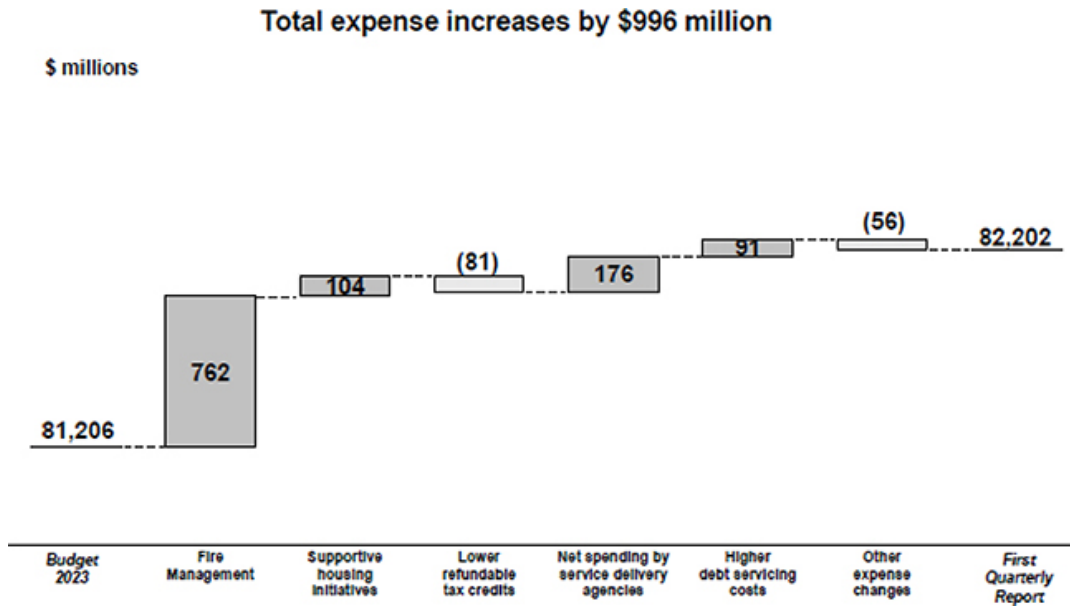
Canada health and social transfers have improved by \$282 million, mainly reflecting one-time funding to strengthen the public health care system.

Other federal government contributions are down \$383 million mainly due to lower claims under the Disaster Financial Assistance Arrangements, reflecting changes in cost and timing related to the 2021 November rainstorm event.

Expense

The *First Quarterly Report* expense forecast for 2023/24 is \$996 million higher than *Budget 2023* mainly due to higher spending for wildfire response and supportive housing initiatives.

Chart 1.3 Expense Changes from Budget 2023



Consolidated Revenue Fund (CRF) Spending

Statutory spending is projected at \$802 million in 2023/24 and includes the following:

- \$762 million for fire management costs — this is in addition to the \$204 million in the fire management voted appropriation, for a total spending forecast of \$966 million;
- \$104 million increase to support decampment in Vancouver and to provide permanent housing for individuals residing in temporary housing through the *Housing Priority Initiatives Special Account*;
- \$17 million in other statutory spending; offset by,
- \$81 million lower refundable tax transfers mainly reflecting lower film tax credits.

Other changes in CRF spending include \$91 million increase in debt servicing costs due to higher interest rates.

Contingencies

Budget 2023 includes a Contingencies vote of \$5.5 billion in 2023/24, with \$1.0 billion in the Pandemic Recovery sub-vote, \$2.2 billion allocated to *Shared Recovery Mandate*, and \$2.3 billion allocated to General Programs, CleanBC and Climate & Emergency Response. Contingencies help fund unexpected costs such as flood recovery, wage mandate, increased costs for government services, and emerging priorities. These allocations remain unchanged in the *First Quarterly Report*.

Pandemic Recovery Contingencies

Budget 2023 allocated \$1.0 billion for continued measures related to the pandemic and economic recovery. Table 1.4 provides an update on the notional allocations of the Province’s pandemic measures as of June 30, 2023.

Table 1.4 2023/24 Pandemic Recovery Contingencies

\$ millions Initiative	Updated Forecast	
	Budget 2023	Q1
Health COVID-19 Management	875	875
Supports for Vulnerable Populations	20	20
Tourism Initiative Envelope	20	20
Unallocated: available for additional health or recovery measures	85	85
Total	1,000	1,000

Spending Recovered from Third Parties

Expenses funded by third parties are forecast to decrease by \$73 million mainly due to lower recoveries from commercial Crown corporations through the fiscal agency loan program.

Operating Transfers to Service Delivery Agencies

Operating transfers to service delivery agencies are forecast to be \$1.9 billion higher than *Budget 2023* mainly due to higher grants to health organizations (\$973 million) and education sector (\$412 million) for wage mandate, a \$311 million increase to BC Housing Management Commission, and an additional \$247 million to other service delivery agencies. These funding increases are related to spending forecast changes noted below.

Service Delivery Agency Spending

Service delivery agency expenses are forecast to increase by \$2.1 billion in 2023/24 compared to *Budget 2023*.

- School district expense forecasts are higher by \$177 million mainly to reflect salary increases under the *Shared Recovery Mandate* and higher inflationary pressures affecting operating costs.

- Post-secondary sector expenses are forecast to increase by \$317 million mainly due to salary increases under the *Shared Recovery Mandate*, which are funded by increased provincial grants to the institutions.
- The health authority and hospital society expense forecast is \$1.2 billion higher than *Budget 2023*, mainly due to salary increases under the *Shared Recovery Mandate* and higher operating costs.
- Other service delivery agency spending is forecast to be \$455 million higher than budget mainly due to increased spending by the BC Housing Management Commission to fund additional supportive housing and various updates across a number of other agencies.

Detailed expense projections are disclosed in Table 1.9. Key spending assumptions and sensitivities are provided in the appendix Table A3.

Full-Time Equivalents for the BC Public Service

The projection of full-time equivalent (FTE) staff utilization for 2023/24 is 35,500 FTEs, an increase of 1,100 since budget, to support the continued response to a significant wildfire season and to implement key government priorities such as child care and education.

Provincial Capital Spending

Capital spending is projected to total \$16.3 billion in 2023/24 — \$413 million higher than the forecast in *Budget 2023* (see Tables 1.5 and 1.11).

Table 1.5 2023/24 Capital Spending Update

	(\$ millions)
Taxpayer-supported capital spending at <i>Budget 2023</i>	11,813
Changes:	
Timing of school district spending	(29)
Timing of post-secondary institution spending	(33)
Higher health authority spending	288
Timing of transportation sector spending	(3)
Higher social housing spending	133
Other net adjustments to capital schedules	11
Total taxpayer-supported changes	367
Taxpayer-supported capital spending - updated forecast	12,180
Self-supported capital spending at <i>Budget 2023</i>	4,027
Higher BC Hydro spending	46
Self-supported capital spending - updated forecast	4,073
2023/24 provincial capital spending at the <i>First Quarterly Report</i>	16,253

Taxpayer-supported capital spending is projected at \$12.2 billion. The \$367 million increase since *Budget 2023* is primarily due to higher planned spending on health routine capital programs by health authorities and social housing projects. This is partially offset by timing changes in capital spending on K-12 and post-secondary projects.

At \$4.1 billion, self-supported capital spending is \$46 million higher than *Budget 2023* primarily due to changes in the timing of BC Hydro expenditures.

Projects Over \$50 million

Capital spending on projects greater than \$50 million is presented in Table 1.12. Since *Budget 2023* thirty projects have been added to the table:

- Carson Elementary School (\$61 million);
- Guildford Park Secondary School (\$65 million);
- La Vallée (Pemberton) Elementary School (\$66 million);
- New Cloverley Elementary School (\$64 million);
- New East Side Elementary School (\$59 million);
- North East Latimer Elementary School (\$52 million);
- Prince Rupert Middle School (\$127 million);
- Tamanawis Secondary School (\$57 million);
- Capilano University – New Squamish Campus (\$63 million);
- Vancouver Community College – Centre for Clean Energy and Automotive Innovation (\$291 million);
- Abbotsford Long-Term Care (\$211 million);
- Campbell River Long-Term Care (\$134 million);
- Delta Long-Term Care (\$180 million);
- FW Green Long-Term Care (\$156 million);
- Richmond Long-Term Care (\$178 million);
- Burnaby Hospital Redevelopment Phase 2 and BC Cancer Centre (\$1.731 billion);
- Belleville Terminal Replacement (\$304 million);
- Blackwater North Fraser Slide (\$203 million);
- Cottonwood Hill at Highway 97 Slide (\$335 million);
- Highway 1 Corridor – Falls Creek (\$143 million);
- Highway 1 Goldstream Safety Improvements (\$162 million);
- Highway 1 Jumping Creek to MacDonald (\$245 million);
- Highway 1 Selkirk (\$129 million);
- 1015 Hastings St. Development (\$151 million);
- 128 to 134 East Cordova St. (\$166 million);
- 320 Hastings St E. Redevelopment (\$86 million);
- BC Hydro – Kootenay Canal modernize controls project (\$61 million);
- BC Hydro – Peace to Kelly Lake stations sustainment project (\$344 million);

- BC Hydro – John Hart dam seismic upgrade project (\$913 million); and
- BC Hydro – Bridge River 1 replace units 1-4 generators/governors project (\$313 million).

The following projects have been removed since *Budget 2023* and are no longer listed in the table:

- British Columbia Institute of Technology – Health Sciences Centre for Advanced Simulation; and
- Highway 1 Lower Lynn Corridor improvements.

Changes since *Budget 2023* for existing projects include:

- Burnaby North Secondary project's year of completion was amended from 2023 to 2024 to align with revised project schedule;
- Simon Fraser University – Student Housing project's anticipated total cost decreased from \$112 million to \$108 million to reflect final project cost. Other contributions decreased from \$39 million to \$35 million;
- University of Victoria – Student Housing project's anticipated total cost increased from \$231 million to \$236 million to reflect revised project cost. Contributions from other sources increased from \$103 million to \$108 million;
- Royal Roads University – West Shore Learning Centre project's anticipated total cost increased from \$100 million to \$106 million to reflect revised project cost. Contributions from other sources increased from \$20 million to \$26 million;
- University of Victoria - Engineering and Computer Science Building Expansion project's anticipated total cost increased from \$90 million to \$133 million to reflect revised project cost. Internal borrowing increased from \$65 million to \$97 million and other contributions increased from \$25 million to \$36 million. Project's anticipated year of completion was amended to align with revised project schedule;
- British Columbia Institute of Technology – Student Housing project's year of completion was amended from 2024 to 2025 to align with revised project schedule;
- North Island College – Student Housing project's year of completion was amended from 2024 to 2025 to align with revised project schedule;
- Vancouver Island University – Student Housing project's year of completion was amended from 2025 to 2026 to align with revised project schedule;
- Peace Arch Hospital Renewal project's anticipated total cost decreased from \$91 million to \$87 million to reflect revised project cost. Other contributions decreased from \$83 million to \$79 million;
- The Clinical and Systems Transformation project's anticipated total cost increased from \$754 million to \$799 million to reflect revised project cost. Other contributions increased from \$52 million to \$97 million;
- Burnaby Hospital Redevelopment – Phase 1 project's anticipated total cost increased from \$612 million to \$683 million to reflect the revised project scope. Internal borrowing increased from \$578 million to \$633 million and other contributions increased from \$34 million to \$50 million;

- Dawson Creek and District Hospital Replacement project's anticipated total cost increased from \$378 million to \$590 million to reflect the updated post-tender budget. Internal borrowing increased from \$247 million to \$413 million and other contributions increased from \$131 million to \$177 million;
- Royal Inland Hospital Phil and Jennie Gagliardi Tower project's year of completion was amended from 2026 to 2027 to align with revised project schedule;
- Cariboo Memorial Hospital Redevelopment project's year of completion was amended from 2028 to 2029 to align with revised project schedule;
- Vancouver General Hospital – Operating Rooms Renewal Phase 2 project's year of completion was amended from 2028 to 2029 to align with revised project schedule;
- Royal BC Museum – Collections and Research Building project's anticipated total cost increased from \$224 million to \$270 million to reflect revised project budget. Internal borrowing increased from \$224 million to \$270 million;
- Highway 1 Chase Four-Laning project's anticipated total cost decreased from \$220 million to \$196 million to reflect revised project cost. Internal borrowing decreased from \$208 million to \$184 million;
- Highway 1 Salmon Arm West project's anticipated total cost decreased from \$155 million to \$140 million to reflect revised project cost. Internal borrowing decreased from \$124 million to \$109 million;
- Highway 1 Quartz Creek Bridge Replacement project's anticipated total cost decreased from \$121 million to \$119 million to reflect revised project cost. Internal borrowing decreased from \$71 million to \$69 million;
- BC Transit Victoria HandyDART Facility project's anticipated total cost increased from \$60 million to \$84 million to reflect revised project cost. Internal borrowing increased from \$26 million to \$41 million and other contributions increased from \$13 million to \$22 million;
- Highway 1 R.W. Bruhn Bridge project's year of completion was amended from 2025 to 2027 to align with revised project schedule. The project's anticipated total cost increased from \$225 million to \$255 million to reflect revised project cost. Internal borrowing increased from \$134 million to \$164 million;
- UBC load increase stage 2 project's anticipated total cost decreased from \$56 million to \$53 million as final costs were lower than estimated for underground works;
- Bridge River 2 upgrade units 7 and 8 project's anticipated total cost decreased from \$78 million to \$75 million due to lower contractor cost;
- Mica units 1 to 4 generator transformers replacement project's anticipated total cost increased from \$80 million to \$89 million due to purchasing additional spare transformer and constructing infrastructure to store this equipment;
- Mount Lehman substation upgrade project's anticipated total cost decreased from \$58 million to \$55 million due to construction efficiencies and an earlier in service date; and
- Wahleach refurbish generator project's anticipated total cost increased from \$51 million to \$64 million to reflect changes to project scope, severe weather in 2021 and supply chain disruptions.

Provincial Debt

The provincial debt is projected to total \$103.0 billion by the end of the fiscal year — \$4.9 billion lower than the forecast in *Budget 2023*. This improvement is primarily due to lower debt balance from fiscal 2022/23 and changes in cash balances.

Table 1.6 2023/24 Provincial Debt Update ¹

	(\$ millions)
Taxpayer-supported debt forecast at <i>Budget 2023</i>	75,617
Changes:	
Lower debt level from 2022/23	(3,767)
Changes in operating results (before forecast allowance)	2,458
Non-cash items	57
Changes in cash balances ²	(3,760)
Changes in other working capital balances ³	(200)
Taxpayer-supported capital spending	367
Total taxpayer-supported changes	(4,845)
Taxpayer-supported debt - updated forecast	70,772
Self-supported debt forecast at <i>Budget 2023</i>	31,607
Changes:	
Lower debt level from 2022/23	(296)
Higher capital spending	46
Changes in internal financing	205
Total self-supported changes	(45)
Self-supported debt - updated forecast	31,562
Forecast allowance	700
2023/24 provincial debt forecast at the <i>First Quarterly Report</i>	103,034

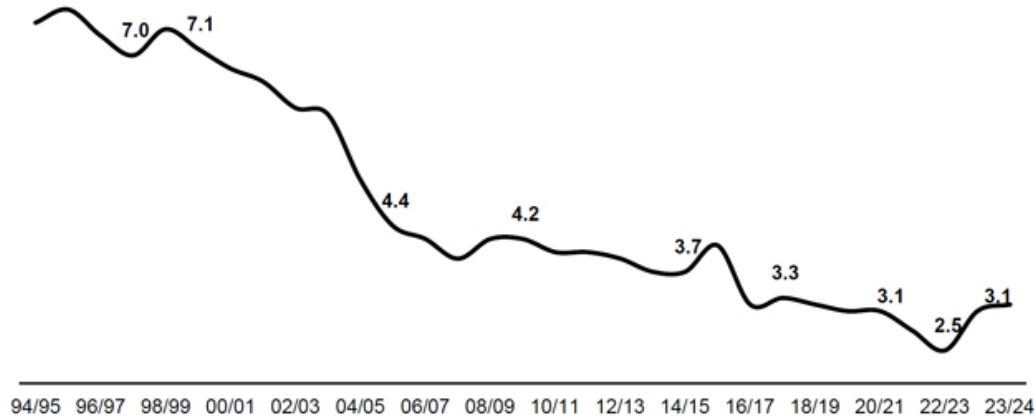
- 1 Provincial debt is prepared in accordance with Generally Accepted Accounting Principles and presented consistent with the Debt Summary Report included in the *Public Accounts*. Debt is shown net of sinking funds and unamortized discounts, excludes accrued interest, and includes non-guaranteed debt directly incurred by commercial Crown corporations and debt guaranteed by the Province.
- 2 Reflects changes in cash balances at April 1, 2023 and includes all cash balances from the Consolidated Revenue Fund, School Districts, Universities, Colleges, Health Authorities, Hospital Societies and other taxpayer-supported agencies.
- 3 Changes in other working capital balances include changes in accounts receivables, accounts payable, accrued liabilities, deferred revenue, investments, restricted assets and other assets.

Taxpayer-supported debt is forecast to be \$70.8 billion at the end of 2023/24 — \$4.8 billion lower than forecast in *Budget 2023*. This decrease reflects a lower opening balance of \$3.8 billion, and changes in cash and other working capital balances of \$4.0 billion, offset by higher operating deficit of \$2.5 billion and higher capital spending of \$367 million.

The taxpayer-supported debt-to-GDP ratio is projected to end 2023/24 at 17.6 per cent — 1.3 percentage points lower than forecast in *Budget 2023*. The taxpayer-supported debt-to-revenue ratio is forecast to end the fiscal year at 95.5 per cent — 4.6 percentage points lower than forecast at budget.

Chart 1.4 Debt Affordability

**Interest bite for Taxpayer-Supported Debt
(cents per dollar of revenue) ¹**



¹ The ratio of interest costs (less sinking fund interest) to revenue. Figures include capitalized interest expense in order to provide a more comparable measure to outstanding debt.

Self-supported debt is forecast to be \$31.6 billion at the end of 2023/24 — consistent with the forecast in *Budget 2023*. The forecast allowance remains at \$700 million.

While the Province’s debt level is expected to increase by \$13.6 billion over the year, the B.C. government is able to borrow at relatively low interest rates, with debt affordability remaining at levels that are lower than they have been historically. The Province’s taxpayer-supported interest bite is 3.1 cents per dollar of revenue.

Details on provincial debt are shown in Table 1.13.

Total provincial debt is presented consistent with the Debt Summary Report included in the *Public Accounts*. Debt is shown net of sinking fund investments and unamortized discounts, excludes accrued interest, and includes non-guaranteed debt directly incurred by commercial Crown corporations and debt guaranteed by the Province. The reconciliation between provincial debt and the financial statement debt is shown in Table 1.14.

Risks to the Fiscal Forecast

The major risks to the updated economic and fiscal forecasts include persistent price pressures leading to higher than anticipated interest rates for longer and weaker global demand. Other risks include climate change impacts, housing affordability, and volatility in commodity markets.

Personal and corporate income tax revenues take over a year to finalize. For example, tax assessments for the 2022 tax year will not be finalized until March 2024 (and assessments for the 2023 tax year will not be finalized until March 2025, and so on). Property transfer tax and provincial sales tax revenues are impacted by the number of residential transactions, average home sale prices and the amount of taxable purchases of goods and services. Natural resource revenues are affected by international commodity prices, and the health of B.C.’s major trading partners.

The spending forecast contained in the fiscal plan is based on ministry and service delivery agency plans. Risks include changes in planning assumptions such as demand for government services in the health care, education, and community social services sectors, as well as costs associated with fighting forests fires and responding to other natural disasters.

Capital spending may be influenced by several factors including design development, procurement activity, labour shortages, ongoing supply chain issues, inflation, weather, geotechnical conditions and interest rates.

As a result of these uncertainties, the actual operating result, capital spending, and debt levels may differ from the current forecast. Government will continue to update the fiscal outlook throughout the year in the second and third quarterly reports.

The potential fiscal impacts from these risks may be partly offset by the prudence incorporated in the updated forecast, including an economic outlook within the range of the private sector forecasters, the \$5.5 billion contingencies vote allocation, and the \$700 million forecast allowance.

Supplementary Schedules

The following tables provide the financial results for the three months ended June 30, 2023 and the 2023/24 full-year forecast.

Table 1.7 2023/24 Operating Statement

(\$ millions)	Year-to-Date to June 30				Full Year			
	2023/24		Variance	Actual 2022/23 ¹	2023/24		Variance	Actual 2022/23
	Budget	Actual			Budget	Forecast		
Revenue	20,106	20,729	623	17,751	77,690	76,228	(1,462)	81,536
Expense	(17,834)	(18,405)	(571)	(16,619)	(81,206)	(82,202)	(996)	(80,832)
Surplus (deficit) before forecast allowance	2,272	2,324	52	1,132	(3,516)	(5,974)	(2,458)	704
Forecast allowance	-	-	-	-	(700)	(700)	-	-
Surplus (deficit)	2,272	2,324	52	1,132	(4,216)	(6,674)	(2,458)	704
Accumulated surplus (deficit) beginning of the year before remeasurement gains and losses	8,355	2,905	(5,450)	2,211	8,355	2,905	(5,450)	2,201
Adjustments to accumulated surplus (deficit) ¹	-	942	942	674	-	-	-	-
Accumulated surplus (deficit) before remeasurement gains and losses	10,627	6,171	(4,456)	4,017	4,139	(3,769)	(7,908)	2,905
Effect of remeasurement gains and (losses)	(836)	(282)	554	170	(836)	(202)	634	(202)
Accumulated surplus (deficit) end of period	9,791	5,889	(3,902)	4,187	3,303	(3,971)	(7,274)	2,703

¹ Restated to reflect government's current accounting policies.

Table 1.8 2023/24 Revenue by Source

(\$ millions)	Year-to-Date to June 30				Full Year			
	2023/24		Variance	Actual	2023/24		Variance	Actual
	Budget	Actual		2022/23 ¹	Budget	Forecast		2022/23
Taxation								
Personal income	3,942	3,942	-	3,181	15,953	15,431	(522)	17,268
Corporate income	3,533	3,533	-	2,612	5,938	6,037	99	9,156
Employer health	683	679	(4)	599	2,731	2,750	19	2,720
Sales ²	2,460	2,709	249	2,319	10,187	10,362	175	9,818
Fuel	239	239	-	250	1,072	1,042	(30)	1,021
Carbon	680	708	28	566	2,811	2,700	(111)	2,161
Tobacco	126	123	(3)	157	565	520	(45)	531
Property	864	861	(3)	773	3,488	3,591	103	3,253
Property transfer	507	555	48	863	1,799	1,950	151	2,293
Insurance premium	194	194	-	165	780	810	30	804
	13,228	13,543	315	11,485	45,324	45,193	(131)	49,025
Natural resource								
Natural gas royalties	505	193	(312)	552	2,016	837	(1,179)	2,255
Forests	148	149	1	277	846	886	40	1,887
Other natural resource revenues ³	415	481	66	587	1,902	1,661	(241)	2,056
	1,068	823	(245)	1,416	4,764	3,384	(1,380)	6,198
Other revenue								
Post-secondary education fees	484	483	(1)	463	2,770	2,829	59	2,651
Fees and licenses ⁴	554	590	36	555	2,412	2,434	22	2,277
Investment earnings	350	418	68	291	1,349	1,409	60	1,316
Miscellaneous ⁵	874	1,089	215	976	3,989	3,995	6	4,445
	2,262	2,580	318	2,285	10,520	10,667	147	10,689
Contributions from the federal government								
Health and social transfers	2,243	2,516	273	2,098	8,970	9,252	282	8,769
Other federal government contributions ⁶	694	531	(163)	522	4,623	4,240	(383)	3,757
	2,937	3,047	110	2,620	13,593	13,492	(101)	12,526
Commercial Crown corporation net income								
BC Hydro	21	(4)	(25)	(12)	712	712	-	360
Liquor Distribution Branch	303	304	1	324	1,150	1,150	-	1,199
BC Lottery Corporation ⁷	286	292	6	405	1,456	1,456	-	1,584
ICBC ⁸	(39)	95	134	(817)	-	-	-	(197)
Other ⁹	40	49	9	45	171	174	3	152
	611	736	125	(55)	3,489	3,492	3	3,098
Total revenue	20,106	20,729	623	17,751	77,690	76,228	(1,462)	81,536

¹ Restated to reflect government's current accounting policies.

² Includes provincial sales tax and HST/PST housing transition tax related to prior years.

³ Columbia River Treaty, other energy and minerals, water rental and other resources.

⁴ Healthcare-related, motor vehicle, and other fees.

⁵ Includes reimbursements for health care and other services provided to external agencies, and other recoveries.

⁶ Includes contributions for health, education, community development, housing and social service programs, and transportation projects.

⁷ Net of payments to the federal government and payments to the BC First Nations Gaming Revenue Sharing Limited Partnership in accordance with section 14.3 of the *Gaming Control Act (B.C.)*.

⁸ 2022/23 full year actual does not include non-controlling interest and will be restated in future quarterly reports to reflect the adoption of IFRS 9 and IFRS 17.

⁹ Includes Columbia Power Corporation, BC Railway Company, Columbia Basin power projects, and post-secondary institutions' self-supported subsidiaries.

Table 1.9 2023/24 Expense by Ministry, Program and Agency

(\$ millions)	Year-to-Date to June 30				Full Year			
	2023/24			Actual	2023/24			Actual
	Budget	Actual	Variance	2022/23 ¹	Budget	Forecast	Variance	2022/23
Office of the Premier	4	4	-	4	16	16	-	14
Agriculture and Food	24	25	1	38	112	112	-	292
Attorney General	202	219	17	202	773	776	3	807
Children and Family Development	474	451	(23)	401	1,912	1,912	-	1,743
Citizens' Services	155	191	36	172	683	683	-	768
Education and Child Care	2,470	2,587	117	2,330	8,874	8,874	-	8,233
Emergency Management and Climate Readiness	28	27	(1)	27	101	101	-	821
Energy, Mines and Low Carbon Innovation	21	18	(3)	17	129	134	5	399
Environment and Climate Change Strategy	48	66	18	78	255	263	8	574
Finance	412	472	60	197	1,578	1,682	104	4,059
Forests	218	283	65	206	925	1,687	762	1,190
Health	6,373	6,464	91	6,030	28,674	28,674	-	26,385
Housing	213	214	1	163	897	897	-	897
Indigenous Relations and Reconciliation	47	39	(8)	84	188	188	-	777
Jobs, Economic Development and Innovation	28	34	6	26	113	113	-	225
Labour	5	9	4	7	21	21	-	34
Mental Health and Addictions	4	4	-	3	27	27	-	198
Municipal Affairs	228	175	(53)	230	269	269	-	1,923
Post-Secondary Education and Future Skills	718	755	37	656	2,770	2,770	-	2,691
Public Safety and Solicitor General	260	243	(17)	248	1,028	1,028	-	1,126
Social Development and Poverty Reduction	1,136	1,162	26	1,111	4,745	4,745	-	4,689
Tourism, Arts, Culture and Sport	60	55	(5)	39	182	182	-	427
Transportation and Infrastructure	246	240	(6)	237	1,021	1,021	-	2,044
Water, Land and Resource Stewardship	27	43	16	34	124	124	-	464
Total ministries and Office of the Premier	13,401	13,780	379	12,540	55,417	56,299	882	60,780
Management of public funds and debt	294	346	52	332	1,309	1,400	91	1,314
Contingencies - <i>Shared Recovery Mandate</i>	-	-	-	-	2,200	2,200	-	-
Contingencies - General programs, CleanBC and Climate & Emergency Response	-	-	-	-	2,300	2,300	-	1
Pandemic Recovery Contingencies	-	-	-	151	1,000	1,000	-	-
Funding for capital expenditures	464	382	(82)	238	4,540	4,429	(111)	2,248
Refundable tax credit transfers	676	664	(12)	497	3,159	3,078	(81)	3,920
Legislative Assembly and other appropriations	50	46	(4)	38	214	216	2	181
Total appropriations	14,885	15,218	333	13,796	70,139	70,922	783	68,444
Elimination of transactions between appropriations ²	-	(8)	(8)	(4)	(32)	(33)	(1)	(24)
Prior year liability adjustments	-	-	-	-	-	-	-	(98)
Consolidated revenue fund expense	14,885	15,210	325	13,792	70,107	70,889	782	68,322
Expenses recovered from external entities	867	879	12	693	4,909	4,836	(73)	4,919
Elimination of funding provided to service delivery agencies	(9,666)	(9,133)	533	(8,495)	(41,212)	(43,044)	(1,832)	(38,236)
Total direct program spending	6,086	6,956	870	5,990	33,804	32,681	(1,123)	35,005
Service delivery agency expense								
School districts	2,428	2,460	32	2,253	8,356	8,533	177	7,933
Universities	1,451	1,493	42	1,385	6,369	6,534	165	6,053
Colleges and institutes	379	385	6	379	1,574	1,726	152	1,591
Health authorities and hospital societies	5,601	5,379	(222)	5,043	22,645	23,815	1,170	22,814
Other service delivery agencies	1,889	1,732	(157)	1,569	8,458	8,913	455	7,436
Total service delivery agency expense	11,748	11,449	(299)	10,629	47,402	49,521	2,119	45,827
Total expense	17,834	18,405	571	16,619	81,206	82,202	996	80,832

¹ Restated to reflect government's current organization and accounting policies.

² Reflects payments made under an agreement where an expense from a voted appropriation is recorded as revenue by a special account.

Table 1.10 2023/24 Expense by Function

(\$ millions)	Year-to-Date to June 30				Full Year			
	2023/24			Actual	2023/24			Actual
	Budget	Actual	Variance	2022/23 ¹	Budget	Forecast	Variance	2022/23
Health ²	7,035	7,217	182	6,614	30,927	30,956	29	30,322
Education ³	4,521	4,686	165	4,277	17,600	17,862	262	16,991
Social services	2,087	2,061	(26)	1,783	9,158	9,148	(10)	9,652
Protection of persons and property	567	558	(9)	567	2,324	2,319	(5)	3,483
Transportation	569	618	49	507	2,616	2,634	18	3,319
Natural resources and economic development	817	950	133	773	4,432	5,161	729	6,284
Other	1,039	1,009	(30)	762	3,485	3,437	(48)	5,736
Contingencies - <i>Shared Recovery Mandate</i>	-	-	-	-	2,200	2,200	-	-
Contingencies - General programs, CleanBC and Climate & Emergency Response ⁴	-	-	-	-	2,300	2,300	-	-
Pandemic Recovery Contingencies ⁴	-	-	-	151	1,000	1,000	-	-
General government	456	527	71	480	1,929	1,931	2	2,326
Debt servicing	743	779	36	705	3,235	3,254	19	2,719
Total expense	17,834	18,405	571	16,619	81,206	82,202	996	80,832

¹ Figures have been restated to reflect government's current accounting policies.

² Payments for healthcare services by the Ministry of Social Development and Poverty Reduction and the Ministry of Children and Family Development made on behalf of their clients are reported in the Health function.

³ Payments for training costs by the Ministry of Social Development and Poverty Reduction made on behalf of its clients are reported in the Education function.

⁴ Contingencies for the prior fiscal year are reported in the relevant functions; the current year forecast is not yet allocated to functions.

Table 1.11 2023/24 Capital Spending

(\$ millions)	Year-to-Date to June 30				Full Year			
	2023/24			Actual	2023/24			Actual
	Budget	Actual	Variance	2022/23	Budget	Forecast	Variance	2022/23
Taxpayer-supported								
Education								
School districts	233	184	(49)	214	1,019	990	(29)	934
Post-secondary institutions	258	219	(39)	161	1,716	1,683	(33)	1,071
Health	218	195	(23)	129	3,243	3,531	288	1,915
BC Transportation Financing Authority	851	392	(459)	393	3,947	3,968	21	1,823
BC Transit	60	22	(38)	26	232	208	(24)	100
Government ministries	116	97	(19)	78	701	699	(2)	470
Social housing ¹	140	232	92	62	808	941	133	357
Other	21	19	(2)	12	147	160	13	85
Total taxpayer-supported	1,897	1,360	(537)	1,075	11,813	12,180	367	6,755
Self-supported								
BC Hydro	1,145	1,099	(46)	894	3,815	3,861	46	3,919
Columbia Basin power projects ²	2	5	3	2	9	9	-	10
BC Railway Company	1	1	0	-	7	7	-	6
ICBC	13	8	(5)	18	65	65	-	41
BC Lottery Corporation ³	18	6	(12)	4	103	103	-	95
Liquor Distribution Branch	6	2	(4)	3	28	28	-	16
Other ⁴	-	-	-	-	-	-	-	78
Total self-supported	1,185	1,121	(64)	921	4,027	4,073	46	4,165
Total capital spending	3,082	2,481	(601)	1,996	15,840	16,253	413	10,920

¹ Includes BC Housing Management Commission and Provincial Rental Housing Corporation.

² Joint ventures of the Columbia Power Corporation and Columbia Basin Trust.

³ Excludes right-of-use assets except for 2022/23 full year actual.

⁴ Includes post-secondary institutions' self-supported subsidiaries.

Table 1.12 Capital Expenditure Projects Greater Than \$50 million ¹

Note: Information in bold type denotes changes from Budget 2023 released on February 28, 2023.

(\$ millions)	Year of Completion	Project Cost to Jun. 30, 2023	Estimated Cost to Complete	Anticipated Total Cost	Internal/Borrowing	P3 Liability	Federal Gov't	Other Contrib'ns
Schools								
Centennial Secondary ²	2017	59	2	61	61	-	-	-
Grandview Heights Secondary ²	2021	78	5	83	63	-	-	20
New Westminster Secondary ²	2021	93	14	107	107	-	-	-
Handsworth Secondary ²	2022	66	3	69	69	-	-	-
Pexsisen Elementary and Centre Mountain Lellum Middle ²	2022	88	1	89	89	-	-	-
Quesnel Junior School ²	2022	46	6	52	52	-	-	-
Stitó:s Lá:lém tof:lt Elementary Middle School ²	2022	52	2	54	49	-	-	5
Coast Salish Elementary ³	2023	22	21	43	38	-	-	5
Burnaby North Secondary	2024	94	14	108	99	-	-	9
Cowichan Secondary	2024	38	48	86	84	-	-	2
Eric Hamber Secondary	2024	66	40	106	94	-	-	12
Victoria High School	2024	80	20	100	97	-	-	3
North East Latimer Elementary	2025	-	52	52	52	-	-	-
Burke Mountain Secondary	2026	4	156	160	135	-	-	25
Carson Elementary	2026	-	61	61	61	-	-	-
New East Side Elementary	2026	-	59	59	59	-	-	-
New Cloverley Elementary	2026	-	64	64	61	-	-	3
Pineview Valley Elementary	2026	-	65	65	65	-	-	-
George Pringle Secondary (formerly Westside Secondary)	2027	7	99	106	103	-	-	3
La Vallée (Pemberton) Elementary	2027	-	66	66	66	-	-	-
Prince Rupert Middle	2027	-	127	127	127	-	-	-
Guildford Park Secondary	2028	-	65	65	60	-	-	5
Tamanawis Secondary	2028	-	57	57	52	-	-	5
Seismic mitigation program ⁴	2030	1,390	636	2,026	2,026	-	-	-
Total schools		<u>2,183</u>	<u>1,683</u>	<u>3,866</u>	<u>3,769</u>	-	-	<u>97</u>
Post-secondary institutions								
Simon Fraser University - Student Housing ²	2023	108	-	108	73	-	-	35
University of Victoria - Student Housing	2023	200	36	236	128	-	-	108
Capilano University - New Squamish Campus	2023	63	-	63	48	-	-	15
Okanagan College - Student Housing	2024	16	59	75	74	-	-	1
Capilano University - Student Housing	2024	6	52	58	41	-	-	17
Royal Roads University - West Shore Learning Centre	2024	33	73	106	80	-	-	26
British Columbia Institute of Technology - Student Housing	2025	27	93	120	108	-	-	12
North Island College - Student Housing	2025	5	73	78	76	-	-	2
The University of British Columbia - School of Biomedical Engineering	2025	35	104	139	25	-	-	114
University of the Fraser Valley - Student Housing	2025	-	75	75	63	-	-	12
University of Victoria - Engineering and Computer Science Building Expansion	2026	5	128	133	97	-	-	36
Vancouver Island University - Student Housing and Dining	2026	-	88	88	87	-	-	1
British Columbia Institute of Technology - Trades and Technology Complex	2027	1	177	178	152	-	-	26
Douglas College - Academic and Student Housing	2027	4	289	293	203	-	-	90
Vancouver Community College - Centre for Clean Energy & Automotive Innovation	2027	-	291	291	271	-	-	20
Total post-secondary institutions		<u>503</u>	<u>1,538</u>	<u>2,041</u>	<u>1,526</u>	-	-	<u>515</u>



Table 1.12 Capital Expenditure Projects Greater Than \$50 million ¹

Note: Information in bold type denotes changes from Budget 2023 released on February 28, 2023.

(\$ millions)	Year of Completion	Project Cost to Jun. 30, 2023	Estimated Cost to Complete	Anticipated Total Cost	Internal/Borrowing	P3 Liability	Federal Gov't	Other Contrib'ns
Health facilities								
Royal Columbian Hospital								
Redevelopment – Phase 1 ²	2020	247	4	251	242	-	-	9
Red Fish Healing Centre for Mental Health and Addiction - 0əqi?								
Iəwʔənaq Ieləmə ²	2021	129	2	131	131	-	-	-
Vancouver General Hospital – Operating Rooms								
Renewal – Phase 1 ²	2021	101	1	102	35	-	-	67
Peace Arch Hospital Renewal ²	2022	86	1	87	8	-	-	79
Penticton Regional Hospital Patient Care Tower ²								
– Direct procurement	2022	65	11	76	18	-	-	58
– P3 contract	2019	232	-	232	-	139	-	93
Dogwood Lodge Long-Term Care Home Replacement	2023	56	9	65	-	-	-	65
Lions Gate Hospital – New Acute Care Facility	2024	146	164	310	144	-	-	166
Nanaimo Regional General Hospital – ICU/HAU Redevelopment	2024	31	29	60	22	-	-	38
Stuart Lake Hospital Replacement	2024	61	97	158	140	-	-	18
Clinical and Systems Transformation	2025	726	73	799	702	-	-	97
iHealth Project – Vancouver Island Health Authority	2025	133	22	155	55	-	-	100
Mills Memorial Hospital Replacement	2026	421	212	633	513	-	-	120
Royal Columbian Hospital								
Redevelopment Phases 2 & 3 ⁵	2026	487	757	1,244	1,182	-	-	62
Abbotsford Long-Term Care	2027	-	211	211	157	-	-	54
Burnaby Hospital Redevelopment - Phase 1	2027	68	615	683	633	-	-	50
Campbell River Long-Term Care	2027	-	134	134	80	-	-	54
Cowichan District Hospital Replacement	2027	92	1,354	1,446	1,148	-	-	298
Dawson Creek and District Hospital Replacement	2027	23	567	590	413	-	-	177
Delta Long-Term Care	2027	-	180	180	162	-	-	18
New St Paul's Hospital	2027	606	1,574	2,180	1,327	-	-	853
New Surrey Hospital and BC Cancer Centre	2027	9	1,715	1,724	1,664	-	-	60
Richmond Long-Term Care	2027	-	178	178	178	-	-	-
Royal Inland Hospital Phil and Jennie Gaglardi Tower								
– Direct procurement	2027	62	67	129	39	-	-	90
– P3 contract	2022	288	-	288	-	164	-	124
Western Communities Long-Term Care Centre for Children and Youth Living with Health Complexity	2027	-	224	224	157	-	-	67
St. Vincent's Heather Long-Term Care	2028	3	219	222	193	-	-	29
Cariboo Memorial Hospital	2028	1	206	207	207	-	-	-
Redevelopment	2029	25	342	367	257	-	-	110
FW Green Long-Term Care	2029	-	156	156	94	-	-	62
Vancouver General Hospital – Operating Rooms Renewal – Phase 2	2029	10	322	332	312	-	-	20
Burnaby Hospital Redevelopment Phase 2 and BC Cancer Centre	2030	-	1,731	1,731	1,703	-	-	28
Richmond Hospital Redevelopment ⁶	2031	5	856	861	791	-	-	70
Total health facilities		4,113	12,033	16,146	12,707	303	-	3,136



Table 1.12 Capital Expenditure Projects Greater Than \$50 million ¹

Note: Information in bold type denotes changes from Budget 2023 released on February 28, 2023.

(\$ millions)	Year of Completion	Project Cost to Jun. 30, 2023	Estimated Cost to Complete	Anticipated Total Cost	Internal/Borrowing	P3 Liability	Federal Gov't	Other Contrib'ns
Transportation								
Highway 91 Alex Fraser Bridge								
Capacity Improvements ²	2019	67	3	70	37	-	33	-
Highway 1 Illecillewaet Four-Laning and Brake Check improvements ²	2021	74	1	75	59	-	16	-
Highway 99 10-Mile Slide ²	2021	75	9	84	84	-	-	-
Highway 4 Kennedy Hill Safety Improvements ²	2022	54	-	54	40	-	14	-
Highway 14 Corridor improvements	2023	66	11	77	48	-	29	-
Highway 1 Chase Four-Laning	2023	99	97	196	184	-	12	-
Highway 1 Salmon Arm West	2023	88	52	140	109	-	31	-
Highway 91 to Highway 17 and Deltaport Way Corridor improvements	2023	241	19	260	87	-	82	91
Kootenay Lake ferry service upgrade	2023	51	34	85	68	-	17	-
West Fraser Road Realignment	2023	62	41	103	103	-	-	-
Highway 1 Quartz Creek Bridge Replacement	2024	61	58	119	69	-	50	-
Highway 1 Ford Road to Tappen Valley Road Four-Laning	2024	43	200	243	161	-	82	-
Highway 1 Kicking Horse Canyon Phase 4 ⁷	2024	495	106	601	386	-	215	-
Pattullo Bridge Replacement ⁸	2024	722	655	1,377	1,076	301	-	-
Highway 5 Corridor	2024	141	209	350	350	-	-	-
Highway 1 Corridor - Falls Creek	2024	3	140	143	143	-	-	-
BC Transit Victoria HandyDART Facility	2025	24	60	84	41	-	21	22
Highway 1 216th - 264th Street widening	2025	59	286	345	226	-	96	23
Highway 7 Widening - 266th St to 287th St.	2025	34	72	106	77	-	29	-
Highway 99 / Steveston Interchange, Transit & Cycling Improvements ⁹	2025	39	98	137	137	-	-	-
Highway 17 Keating Cross Overpass	2025	12	65	77	58	-	17	2
Broadway Subway ¹⁰	2026	1,185	1,642	2,827	1,380	450	897	100
Blackwater North Fraser Slide	2026	-	203	203	203	-	-	-
Cottonwood Hill at Highway 97 Slide	2026	-	335	335	335	-	-	-
Highway 1 Selkirk	2026	5	124	129	97	-	32	-
Highway 1 Jumping Creek to MacDonald	2027	10	235	245	199	-	46	-
Highway 1 Goldstream Safety Improvements	2027	12	150	162	162	-	-	-
Belleville Terminal Replacement	2027	3	301	304	262	-	42	-
Highway 1 R.W. Bruhn Bridge	2027	36	219	255	164	-	91	-
Surrey Langley SkyTrain Project ¹¹	2028	98	3,912	4,010	2,476	-	1,306	228
Fraser River Tunnel Project ^{9, 12}	2030	58	4,090	4,148	4,148	-	-	-
Total transportation		3,917	13,427	17,344	12,969	751	3,158	466
Housing								
Stanley New Fountain ²	2023	77	1	78	9	-	-	69
13583 81st Ave	2023	46	4	50	37	-	-	13
Crosstown	2024	41	31	72	61	-	-	11
58 W Hastings	2024	39	119	158	67	-	19	72
1015 Hastings St. Development	2025	14	137	151	110	-	22	19
128 to 134 East Cordova St.	2025	10	156	166	36	-	27	103
320 Hastings St. E. Redevelopment	2025	-	86	86	49	-	5	32
Clark & 1st Ave	2026	7	102	109	75	-	-	34
Total housing		234	636	870	444	-	73	353
Other taxpayer-supported								
Nanaimo Correctional Centre Replacement	2024	124	57	181	181	-	-	-
Royal BC Museum – Collections and Research Building	2025	31	239	270	270	-	-	-
Total other taxpayer-supported		155	296	451	451	-	-	-
Total taxpayer-supported		11,105	29,613	40,718	31,866	1,054	3,231	4,567



Table 1.12 Capital Expenditure Projects Greater Than \$50 million ¹

Note: Information in bold type denotes changes from Budget 2023 released on February 28, 2023.

(\$ millions)	Year of Completion	Project Cost to Jun. 30, 2023	Estimated Cost to Complete	Anticipated Total Cost	Internal/Borrowing	P3 Liability	Federal Gov't	Other Contrib'ns
Power generation and transmission								
BC Hydro								
-UBC load increase stage 2 project ²	2020	53	-	53	53	-	-	-
-Bridge River 2 upgrade units 7 and 8 project ²	2021	74	1	75	75	-	-	-
-LNG Canada load interconnection project ²	2021	81	1	82	58	-	-	24
-Peace Region Electricity Supply (PRES) project ^{2, 13}	2021	218	1	219	219	-	TBD	-
-Mica replace units 1 to 4 generator transformers project ²	2022	76	13	89	89	-	-	-
-Mount Lehman substation upgrade project ²	2023	55	-	55	55	-	-	-
-G.M. Shrum G1 to 10 control system upgrade	2023	69	6	75	75	-	-	-
-5L063 Telkwa relocation project	2023	47	19	66	66	-	-	-
-Lake Buntzen 1 Coquitlam Tunnel Gates Refurbishment project	2023	46	21	67	67	-	-	-
-Street light replacement program	2023	56	19	75	75	-	-	-
-Various Sites - NERC Critical Infrastructure Protection implementation project for cyber assets	2023	44	16	60	60	-	-	-
-Wahleach refurbish generator project	2023	52	12	64	64	-	-	-
-Capilano substation upgrade project	2024	61	26	87	87	-	-	-
-Mica modernize controls project	2024	48	8	56	56	-	-	-
-Vancouver Island radio system project	2024	42	11	53	53	-	-	-
-Natal - 60-138 kV switchyard upgrade project	2025	29	55	84	84	-	-	-
-Site C project ¹⁴	2025	11,669	4,331	16,000	16,000	-	-	-
-Sperling substation metalclad switchgear replacement project	2026	37	39	76	76	-	-	-
-Treaty Creek Terminal - Transmission Load Interconnection (KSM) project	2026	29	80	109	72	-	-	37
-Mainwaring station upgrade project	2026	14	140	154	154	-	-	-
-Kootenay Canal modernize controls project	2028	4	57	61	61	-	-	-
-Peace to Kelly Lake stations sustainment project	2028	25	319	344	344	-	-	-
-John Hart dam seismic upgrade project	2029	89	824	913	913	-	-	-
-Bridge River 1 replace units 1-4 generators / governors project	2030	14	299	313	313	-	-	-
Total power generation and transmission		12,932	6,298	19,230	19,169	-	-	61
Total self-supported		12,932	6,298	19,230	19,169	-	-	61
Total \$50 million projects		24,037	35,911	59,948	51,035	1,054	3,231	4,628

- 1 Only projects that receive provincial funding and have been approved by Treasury Board and/or Crown corporation boards are included in this table. Ministry service plans may highlight projects that still require final approval. Capital costs reflect current government accounting policy.
- 2 Assets have been put into service and only trailing costs remain.
- 3 The anticipated total cost was previously reported as \$52 million and has been reduced to \$43 million to reflect current estimates.
- 4 The Seismic Mitigation Program consists of all spending to date on Phase 2 of the program and may include spending on projects greater than \$50 million included in the table above.
- 5 The Royal Columbian Hospital new acute care tower is expected to be available to patients in 2025.
- 6 The Richmond Hospital new acute care tower is expected to be available to patients in 2028.
- 7 Kicking Horse Canyon Project costs exclude \$11 million of past planning costs which are expensed.
- 8 Pattullo Bridge forecasted to open to the public in 2024 with old bridge decommissioning to follow. Forecasted amount reflects total expenditures including capitalized and expensed items.
- 9 Project is part of the Highway 99 Tunnel Program.
- 10 The Broadway Subway Project forecast and value of costs incurred to date include the City of Vancouver in-kind contribution of land rights, in keeping with the approved project budget. Under current government accounting, purchased intangible assets are given accounting recognition, and contributed intangible assets, such as land use rights or licenses are not.
- 11 Total project cost includes \$3.939 billion capital costs and \$0.071 billion operating costs.
- 12 The Fraser River Tunnel is forecasted to open to the public in 2030 with the removal of the existing tunnel to follow.
- 13 The total cost represents the gross cost of the project and has not been netted for Federal Government contributions. The Federal Government's contribution amount is dependent on the final actual project costs and what costs are eligible under the agreement.
- 14 The approved updated project cost estimate is \$16 billion, with a project in-service date of 2025 (first and last generating unit in-service in December 2024 and 2025, respectively). The anticipated project cost and cost to date include capital costs, charges subject to regulatory deferral and certain operating expenditures.

Table 1.13 2023/24 Provincial Debt ¹

(\$ millions)	Year-to-Date to June 30				Full Year			
	2023/24			Actual	2023/24			Actual
	Budget	Actual	Variance	2022/23	Budget	Forecast	Variance	2022/23
Taxpayer-supported debt								
Provincial government								
Operating	-	-	-	4,710	2,440	1,871	(569)	-
Capital ²	37,817	37,366	(451)	36,801	44,089	40,739	(3,350)	36,538
Total provincial government	37,817	37,366	(451)	41,511	46,529	42,610	(3,919)	36,538
Taxpayer-supported entities								
BC Transportation Financing Authority	19,570	19,570	-	17,623	23,171	22,930	(241)	18,992
Health authorities and hospital societies	2,147	2,047	(100)	1,833	2,381	2,380	(1)	1,983
Post-secondary institutions	909	909	-	924	952	944	(8)	910
Social housing ³	1,244	1,044	(200)	1,190	2,227	1,566	(661)	1,241
Other	294	297	3	171	357	342	(15)	270
Total taxpayer-supported entities	24,164	23,867	(297)	21,741	29,088	28,162	(926)	23,396
Total taxpayer-supported debt	61,981	61,233	(748)	63,252	75,617	70,772	(4,845)	59,934
Self-supported debt	30,339	30,347	8	28,795	31,607	31,562	(45)	29,492
Total debt before forecast allowance	92,320	91,580	(740)	92,047	107,224	102,334	(4,890)	89,426
Forecast allowance	-	-	-	-	700	700	-	-
Total provincial debt	92,320	91,580	(740)	92,047	107,924	103,034	(4,890)	89,426

¹ Provincial debt is prepared in accordance with Generally Accepted Accounting Principles and presented consistent with the Debt Summary Report included in the *Public Accounts*. Debt is shown net of sinking funds and unamortized discounts, excludes accrued interest, and includes non-guaranteed debt directly incurred by commercial Crown corporations and debt guaranteed by the Province.

² Includes debt incurred by the government to fund the building of capital assets in the education, health, social housing and other sectors.

³ Includes debt incurred by BC Housing Management Commission and the Provincial Rental Housing Corporation to fund investments in affordable housing through HousingHub. The debt forecast reflects projects that have been approved as of June 2023.

Table 1.14 2023/24 Statement of Financial Position

(\$ millions)	Actual March 31, 2023	Year-to-Date June 30, 2023	Forecast March 31, 2024
Financial assets:			
Cash and temporary investments	8,247	6,310	2,961
Other financial assets	19,077	19,398	16,492
Sinking funds	521	531	485
Investments in commercial Crown corporations:			
Retained earnings	12,634	13,086	13,349
Recoverable capital loans	28,145	29,001	30,147
Total investments in commercial Crown corporations	40,779	42,087	43,496
Total financial assets	68,624	68,326	63,434
Liabilities:			
Accounts payable, accrued liabilities and others	25,402	21,045	22,305
Deferred revenue	15,005	15,081	16,068
Debt:			
Taxpayer-supported debt	59,934	61,233	70,772
Self-supported debt	29,492	30,347	31,562
Forecast allowance	-	-	700
Total provincial debt	89,426	91,580	103,034
Add: debt offset by sinking funds	521	531	485
Add: foreign exchange adjustments	472	326	-
Less : guarantees and non-guaranteed debt	(1,523)	(1,897)	(1,415)
Financial statement debt	88,896	90,540	102,104
Total liabilities	129,303	126,666	140,477
Net liabilities	(60,679)	(58,340)	(77,043)
Capital and other non-financial assets:			
Tangible capital assets	59,811	60,503	69,032
Other non-financial assets	3,571	3,726	4,040
Total capital and other non-financial assets	63,382	64,229	73,072
Accumulated surplus (deficit)	2,703	5,889	(3,971)

Changes in Financial Position

(\$ millions)	Year-to-Date June 30, 2023	Forecast March 31, 2024
Deficit (Surplus) for the period	(2,324)	6,674
Change in remeasurement (gains) losses and other adjustments	(862)	-
Decrease/(Increase) in accumulated surplus/deficit	(3,186)	6,674
Capital and other non-financial asset changes:		
Taxpayer-supported capital investments	1,360	12,180
Less: amortization and other accounting changes	(668)	(2,959)
Increase in net capital assets	692	9,221
Increase (decrease) in other non-financial assets	155	469
Increase in capital and other non-financial assets	847	9,690
Increase (decrease) in net liabilities	(2,339)	16,364
Investment and working capital changes:		
Investment in commercial Crown corporations:		
Decrease in retained earnings	452	715
Self-supported capital investments	1,121	4,073
Less: loan repayments and other accounting changes	(265)	(2,071)
Increase/(decrease) in investment in commercial Crown corporations	1,308	2,717
Decrease in cash and temporary investments	(1,937)	(5,286)
Increase in other working capital	4,612	(587)
Increase in Investment and working capital	3,983	(3,156)
Increase in financial statement debt	1,644	13,208
Changes in sinking fund debt and foreign exchange adjustments	136	508
Decrease in guarantees and non-guaranteed debt	374	(108)

Increase in total provincial debt

2,154

13,608

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Summary

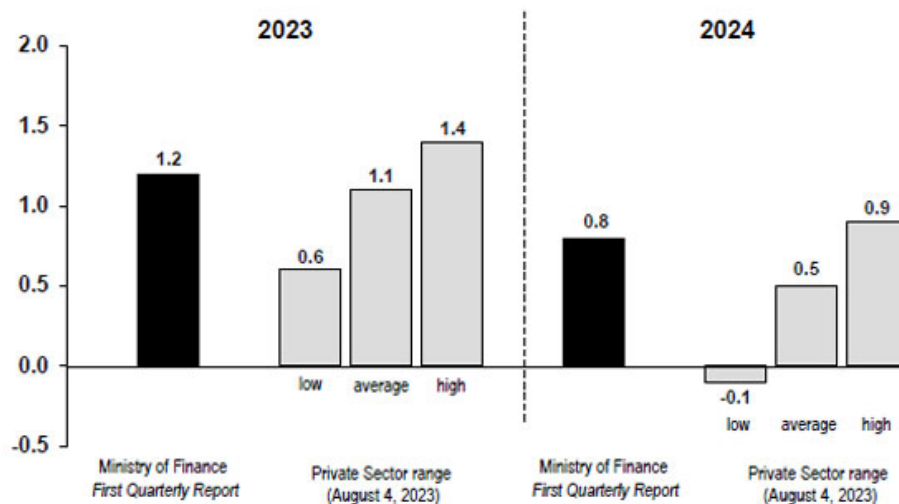
B.C.'s economy continues to be resilient, despite the higher-than-expected interest rate environment. Employment has posted modest gains, while strong population growth has helped to reduce job vacancies and support consumer spending. Housing markets are adjusting to higher interest rates, with increased home sales activity in recent months and robust new home construction. However, merchandise exports declined in the first half of 2023 reflecting weaker demand from B.C.'s trading partners and lower prices for key commodities compared to the first half of 2022.

Inflation has fallen from the high rates seen last year but prices remain elevated, particularly for food and shelter. Persistent price pressures and economic strength have led to interest rates rising higher than anticipated around the world, which are expected to weigh on domestic and external demand. While the significant uncertainty around COVID-19 disruptions has subsided compared to recent years, B.C.'s economy faces headwinds including the potential impacts of commodity price volatility, extreme weather events, and lingering supply-chain and labour disruptions amid a weaker global outlook.

The Ministry of Finance (Ministry) estimates that B.C.'s economy grew by 3.3 per cent in 2022. The Ministry forecasts economic growth to be 1.2 per cent in 2023 and then slow to 0.8 per cent growth in 2024 as the cumulative effect of higher interest rates works its way through the broader economy. As Chart 2.1 shows, the Ministry's outlook for B.C. real GDP is within the range of private sector forecasters in 2023 and 2024. Ministry of Finance analysis suggests that the province's economic growth will be stronger than the current average private sector outlook in both years. The Ministry will continue to monitor trends to assess and update the economic outlook. Over the medium-term (2025 to 2027), the Ministry expects B.C.'s economic growth to range between 2.2 per cent and 2.4 per cent annually.

Chart 2.1 Ministry's Outlook for B.C. Compared to Private Sector

B.C. real GDP (annual per cent change)



Sources: B.C. Ministry of Finance; Private Sector range (low/average/high of Economic Forecast Council subset consisting of BMO, CIBC, National Bank, RBC, Scotiabank and TD).

¹ Reflects data available as of August 23, 2023, unless otherwise indicated.

The main downside risks to B.C.'s outlook include persistent price pressures leading to higher than anticipated interest rates for longer and weaker global demand. Other risks include climate change impacts, housing affordability, and volatility in commodity and financial markets.

British Columbia Economic Activity and Outlook

B.C.'s economy has been more resilient to the impact of higher interest rates than expected. However, rates have risen further than anticipated, which is weighing on the outlook for next year. Steady economic activity is expected to support modest real GDP growth in B.C. this year as the cumulative effects of higher interest rates and elevated inflation soften domestic and global demand. The Ministry's forecast for B.C. real GDP growth in 2023 has been revised up to 1.2 per cent from the *Budget 2023* forecast of 0.4 per cent. The forecast for 2024 has been lowered to 0.8 per cent from 1.5 per cent. This revision largely reflects weaker exports and the impact of higher interest rates over a longer than expected period. Nominal GDP growth for 2023 has been revised up slightly to 2.9 per cent from 2.8 per cent, and in 2024 down to 3.3 per cent from 3.7 per cent.

Table 2.1 British Columbia Economic Indicators

	First Quarter	Second Quarter	Year-to-date
	Jan. to Mar. 2023 change from Oct. to Dec. 2022	Apr. to Jun. 2023 change from Jan. to Mar. 2023	Jan. to Jun. 2023 change from Jan. to Jun. 2022
All data seasonally adjusted, per cent change			
Employment	+0.6	+0.2	+1.4
Manufacturing shipments	-3.7	-0.9	-7.7
Exports	+2.0	-5.7	-14.2
Retail sales	-1.0	+2.5	+1.0
Consumer price index ¹	+5.7	+3.7	+4.7
Housing starts	+1.2	+3.2	+19.7
Residential sales units	+0.8	+33.7	-25.0
Residential average sale price	-1.8	+9.3	-7.5
Non-residential building permits	+18.1	-15.2	-10.5

¹ Quarterly calculations for CPI are year-over-year, e.g. First Quarter is Jan. to Mar. 2023 change from Jan. to Mar. 2022

In the near-term, B.C.'s labour market is expected to see modest employment gains, supported by strong population growth. An up-tick in the unemployment rate from the historically low levels seen in 2022 is expected before trending down over the forecast horizon. Construction activity is expected to continue at high levels, supported by public sector investment. Consumer spending is forecast to ease as higher interest rates and elevated prices limit consumers' purchasing power. Inflation is forecast to average 3.9 per cent in 2023 and 2.5 per cent in 2024. On the trade front, weaker global demand and lower prices for key commodities are expected to weigh on exports.

Real GDP growth over the 2025 to 2027 period is relatively unchanged from the *Budget 2023* forecast. Over this period, inflation is expected to normalize and interest rates are expected to stabilize.

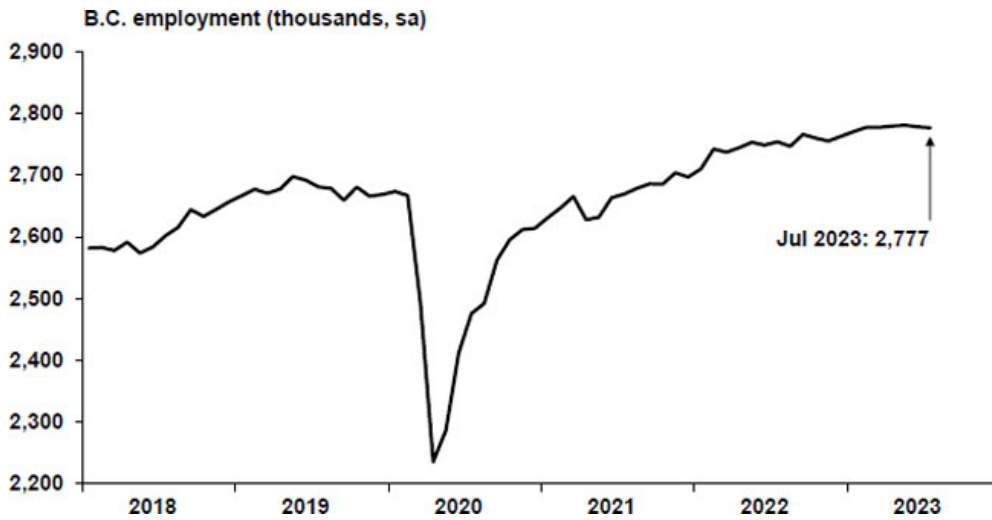
Labour Market

B.C.'s labour market growth has eased in 2023 from the rapid pace associated with the pandemic recovery. Overall, employment grew by 1.3 per cent year-to-date to July 2023 compared to the same period last year. Full-time employment increased by nearly 47,000 jobs and part-time employment decreased by about 11,000 jobs on a year-to-date basis. During this period, the number of jobs created was balanced between the public sector (+21,314 jobs) and self-employment (+19,443 jobs), while private sector jobs declined (-4,757 jobs).

On an industry basis, year-to-date employment gains were concentrated in the services sector (+37,643 jobs), led by educational services (+17,743 jobs); accommodation and food services (+14,943 jobs); and finance, insurance, real estate, and leasing (+10,729 jobs). Meanwhile, the largest service-sector declines were in transportation and warehousing (-7,514 jobs) and health care and social assistance (-4,557 jobs) compared to the first seven months of 2022. During this period, employment in the goods sector edged down (-1,643 jobs), where growth in construction (+11,886 jobs), agriculture (+2,829 jobs) and utilities (+1,014 jobs) was offset by declines in manufacturing (-16,571 jobs) and forestry, fishing, mining, oil, and gas (-757 jobs).

Employment among women accounted for the majority of growth in the labour market so far this year. Women represented 48.4 per cent of B.C.'s labour force and filled 80.8 per cent of the 46,986 new full-time jobs created in the first seven months of 2023. While total employment increased by 1.3 per cent during this period, employment among women grew by 2.1 per cent, outpacing employment growth among men at 0.6 per cent.

Chart 2.2 B.C. Employment



Sources: Statistics Canada (Labour Force Survey); Haver Analytics

The provincial unemployment rate has increased from the historical lows seen in 2022 as labour force growth has outpaced job gains. B.C.'s unemployment rate reached 5.4 per cent in July 2023 and averaged 5.0 per cent year-to-date, 0.2 percentage points below the national average. Meanwhile, job vacancies in the province have steadily declined since peaking in mid-2022 but remain elevated relative to pre-pandemic levels.

The size of B.C.'s labour force increased by 1.6 per cent year-to-date to July 2023, supported by strong population growth. Meanwhile, the province's labour force participation rate averaged 65.1 per cent, 0.1 percentage points lower than the first seven months of 2022. While the prime-age (25-54 years) labour force participation rate has surpassed its pre-pandemic five-year average, the participation rate among the 55+ years age group has fallen. An aging population poses a challenge for labour markets across the country.

Employee compensation (aggregate wages, salaries, and employers' social contributions) in B.C. increased by 5.8 per cent year-to-date to March 2023 compared to the same period of 2022. So far this year, the average hourly wage rate rose by 6.0 per cent compared to the first seven months of 2022. On average, wages grew faster than the consumer price index for B.C., which increased by 4.4 per cent over the same period.

Outlook

The outlook for B.C.'s labour market remains stable but faces headwinds next year amid slower domestic and global economic activity. The Ministry forecasts employment in B.C. to increase by 1.1 per cent in 2023 (approximately +30,200 jobs), followed by annual growth of 0.8 per cent in 2024 (approximately +22,000 jobs). Over the medium-term, employment growth is forecast to average 1.3 per cent annually.

In the near-term, the province's unemployment rate is expected to average 5.4 per cent in 2023 and 5.9 per cent in 2024 reflecting solid labour force growth and a broader slowdown in economic activity. Then B.C.'s unemployment rate is forecast to trend down over the medium-term to 5.1 per cent in 2027.

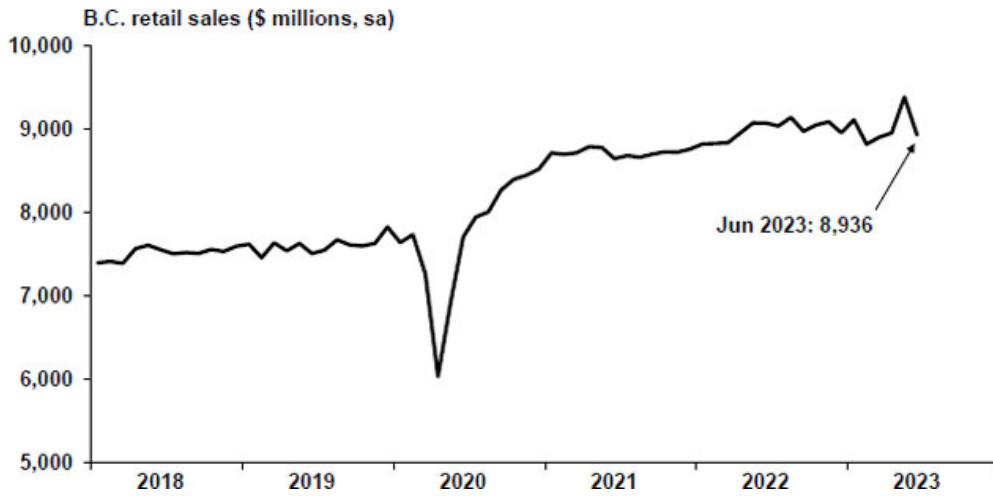
Consumer Spending and Inflation

Consumer spending has moderated from the strong growth observed in the past two years as the pandemic rebound has faded. Year-to-date to June, B.C. nominal retail sales rose by 1.0 per cent, tempered by higher interest rates and elevated inflation. Meanwhile, consumer prices rose by 4.4 per cent over a similar period, indicating a lower volume of sales. Year-to-date sales gains were led by increased spending at food and beverage stores (+5.8 per cent); clothing, accessories and related retailers (+15.7 per cent); and general merchandise stores (+6.4 per cent). Declines in spending were led by lower sales at building material and garden equipment and supplies dealers (-15.7 per cent) and gasoline stations (-8.7 per cent) compared to the first six months of 2022.

Sales at food services and drinking places in B.C., a component of the service sector, rose by 15.4 per cent year-to-date to May 2023 compared to the same period last year, partly due to higher prices.

Consumer sentiment has weakened amid higher interest rates and elevated inflation. The Conference Board of Canada's consumer confidence index for B.C. averaged 79.0 points in the first eight months of 2023, 28.6 points lower than the same period of 2022. Similarly, the Bank of Canada's latest Canadian Survey of Consumer Expectations (conducted in May 2023 before the Bank resumed hiking interest rates in June) cited high interest rates and increased living expenses across a broad range of goods and services as key concerns for Canadian consumers.

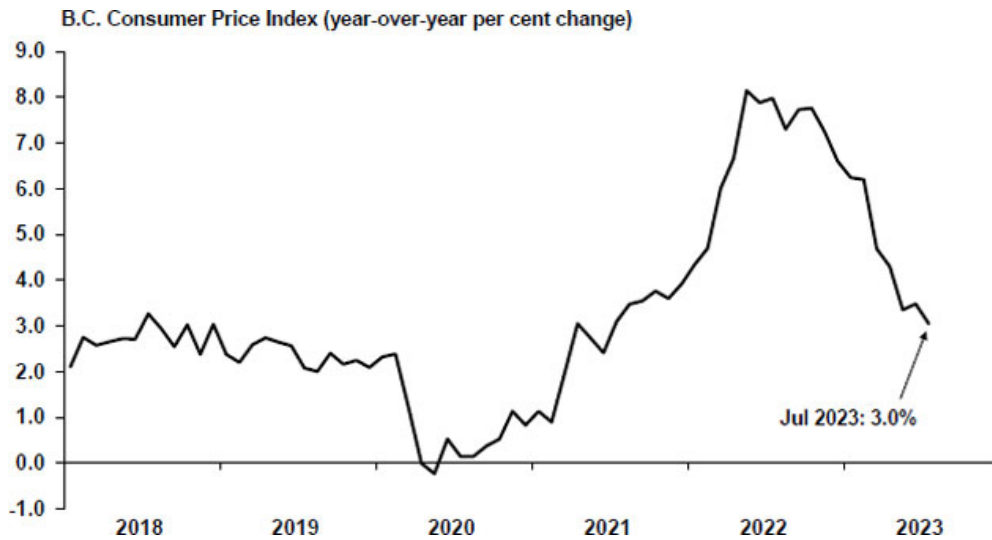
Chart 2.3 B.C. Retail Sales



Sources: Statistics Canada; Haver Analytics

Inflation has eased since peaking at 8.1 per cent in May 2022 to reach 3.0 per cent in July 2023. The slower pace partly reflects lower energy prices compared to the high prices for commodities seen in 2022 amid global supply uncertainty following Russia’s invasion of Ukraine. Despite slowing, inflation in the province and globally has not returned to the target levels observed prior to the sharp rise in 2021 and 2022. B.C.’s consumer price index averaged 4.4 per cent in the first seven months of 2023. During this period, price growth was led by shelter (+5.4 per cent) and food (+8.2 per cent). This reflects higher owned and rented accommodation costs, as well as higher prices for food purchased at both stores and restaurants. In the Bank of Canada’s (BoC) Monetary Policy Statement on July 12, 2023, the BoC forecast Canadian inflation to hover around 3 per cent before gradually slowing toward the 2 per cent target by mid-2025.

Chart 2.4 B.C. Inflation



Sources: Statistics Canada; Haver Analytics

Outlook

Household consumption is expected to continue to ease in the near-term as the cumulative effects of interest rate hikes and elevated prices reduce consumers' purchasing power. The Ministry forecasts real household consumption of goods and services to increase by 2.4 per cent in 2023, followed by 2.2 per cent growth in 2024. Then growth is expected to range between 2.3 per cent and 2.6 per cent annually in the 2025 to 2027 period.

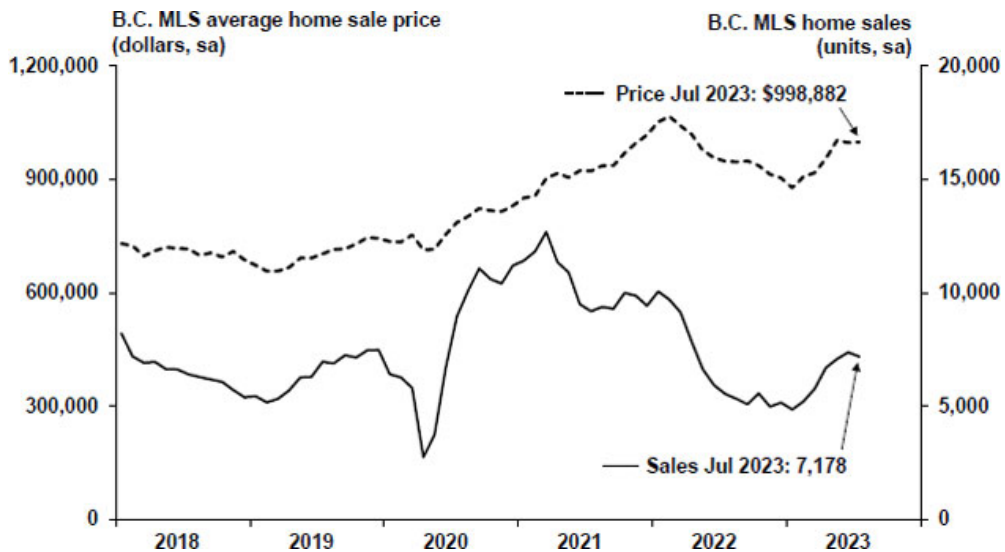
The Ministry expects nominal retail sales to grow by 2.4 per cent in 2023 and by 2.5 per cent in 2024, as support from strong population growth is somewhat offset by the cooling effects of higher interest rates and slower income growth. Then over the medium-term, retail sales are expected to average 3.5 per cent growth annually.

While inflation has fallen from the high rates seen last year, price pressures, particularly for food and shelter, are anticipated to persist in the near-term. However, inflation is expected to gradually ease toward the BoC's target rate of 2 per cent in the medium-term. Overall, consumer price inflation in B.C. is forecast to be 3.9 per cent in 2023, 2.5 per cent in 2024 and 2.2 per cent in 2025. Then inflation is expected to normalize, averaging 2.0 per cent in 2026 and 2027. Annual inflation rates for Canada are expected to be relatively similar to B.C. over the forecast period.

Housing

B.C. housing market activity has picked up in recent months following a decline last year in response to the sharp increase in interest rates. Still, year-to-date to July, MLS home sales decreased by 19.5 per cent compared to the first seven months of 2022. Further, the additional interest rate increases in June and July of 2023 are expected to dampen activity. On a year-to-date basis, sales decreased in every region in B.C., including Greater Vancouver (-21.8 per cent), Fraser Valley (-15.3 per cent), Okanagan-Mainline (-22.6 per cent) and Victoria (-16.8 per cent).

Chart 2.5 Home Sales and Price

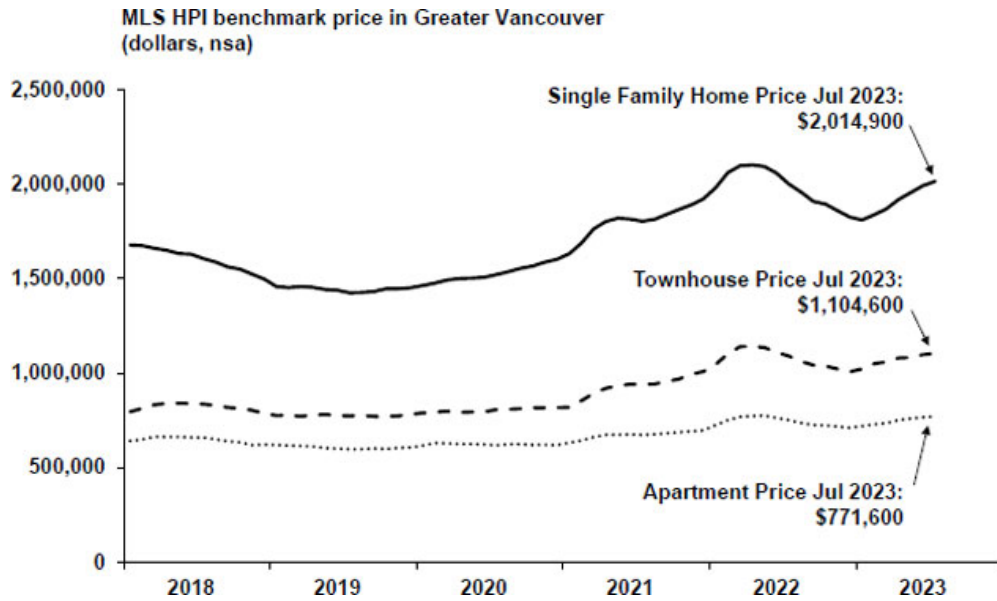


Sources: Canadian Real Estate Association; Haver Analytics

Year-to-date to July, the MLS average home sale price was 5.7 per cent below the high levels seen in the same period of 2022. However, the MLS average home sale price has edged up in recent months, partly due to low inventories of homes for sale.

Despite recent gains, MLS composite benchmark house prices (which incorporates benchmark attributes by dwelling type in each region) decreased across many markets in B.C. on a year-to-date basis. Declines were seen in the Fraser Valley (-13.4 per cent), Vancouver Island (-9.7 per cent), Victoria (-8.7 per cent), the Okanagan Valley (-6.7 per cent) and Greater Vancouver (-5.5 per cent) compared to the first seven months of 2022.

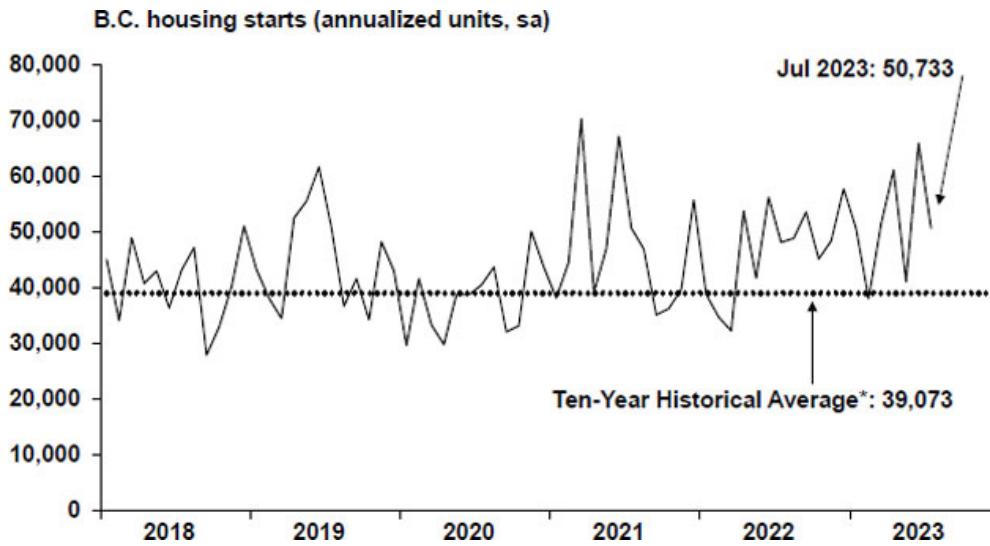
Chart 2.6 Greater Vancouver HPI Benchmark Price



Sources: Canadian Real Estate Association; Haver Analytics

The impact of rising interest rates on home construction has been muted compared to home sales. Robust homebuilding activity has continued so far this year, up 17.4 per cent year-to-date to July 2023. Averaging 51,312 annualized units in the first seven months of 2023, housing starts remain well above the ten-year historical average of 39,073 units. However, a decline in both the value and number of residential building permits, a leading indicator of home construction, points to the potential for some moderation in homebuilding activity moving forward. Year-to-date to June, the value of single-dwelling permits fell by 20.7 per cent and the value of multiple-dwelling permits fell by 8.3 per cent.

Chart 2.7 B.C. Housing Starts



Sources: Canada Mortgage and Housing Corporation; Haver Analytics
 * Historical average from Jan. 2013 to Dec. 2022

Outlook

The Ministry expects the impact of high interest rates to continue to weigh on housing market activity this year. The Ministry forecasts unit home sales to decrease by 8.5 per cent in 2023 and then increase by 13.5 per cent in 2024. Average home sale prices are expected to decrease by 3.5 per cent in 2023 and then grow by 3.0 per cent in 2024. Over the medium-term, average sales prices are forecast to increase by 2.6 per cent annually on average. Putting unit sales and prices together, the total value of home sales is forecast to decrease by 11.6 per cent in 2023, increase by 16.9 per cent in 2024, and then average 4.2 per cent growth over the 2025 to 2027 period.

The Ministry prudently expects B.C. housing starts to total approximately 46,700 units in 2023, 42,100 units in 2024 and then average around 40,000 units per year over the medium-term, supported by population growth and public sector investment.

Business and Government

Non-residential construction permitting has slowed from the high levels seen in 2022. The total value of non-residential building permits declined by 10.5 per cent year-to-date to June compared to the same period last year. Underlying the decline was lower permit issuance for institutional and governmental buildings (-30.8 per cent) and industrial structures (-22.5 per cent), while permit issuance increased for commercial buildings (+8.8 per cent).

Businesses in B.C. and at the national level have faced challenges with labour shortages and higher wage costs amid tight labour market conditions and high inflation. Year-to-date to July, the Canadian Federation of Independent Business' 12-month small business confidence index for B.C. was 6.6 points below the same period of 2022. However, in July 2023, the index stood at 54.7 points, above the 50-point threshold, indicating that more small business owners expect stronger performance over the next year.

B.C.'s tourism sector has moderated, following a rebound in activity throughout 2022. International travelers entering B.C. rose by 107.6 per cent year-to-date to June 2023 compared to the low levels seen in early 2022. However, the number of U.S. and non-U.S. visitors have levelled off in recent months and the 646,050 international travelers entering B.C. in June 2023 remained below the roughly 700,000 visitors seen in an average month prior to the pandemic.

Outlook

The Ministry forecasts total real investment in B.C. to rise by 3.7 per cent in 2023, supported by increases in residential construction and government capital investment. Then total real investment is projected to grow by 2.8 per cent in 2024, and range between 1.9 per cent and 2.2 per cent growth annually over the medium-term.

In the near-term, real business investment is projected to decrease by 1.3 per cent in 2023 and then increase by 1.0 per cent in 2024, reflecting the dampening effects of higher interest rates. Over the 2025 to 2027 period, real business investment growth is expected to range between 2.4 per cent and 2.9 per cent annually.

Real expenditure on goods and services by all levels of government is forecast to rise by 1.1 per cent in 2023 and then decline by 2.8 per cent in 2024 due to the timing and one-time nature of some government expenditures, such as the *2022/23 Supplementary Estimates*. In real terms, government expenditures are forecast to be relatively stable over the medium-term.

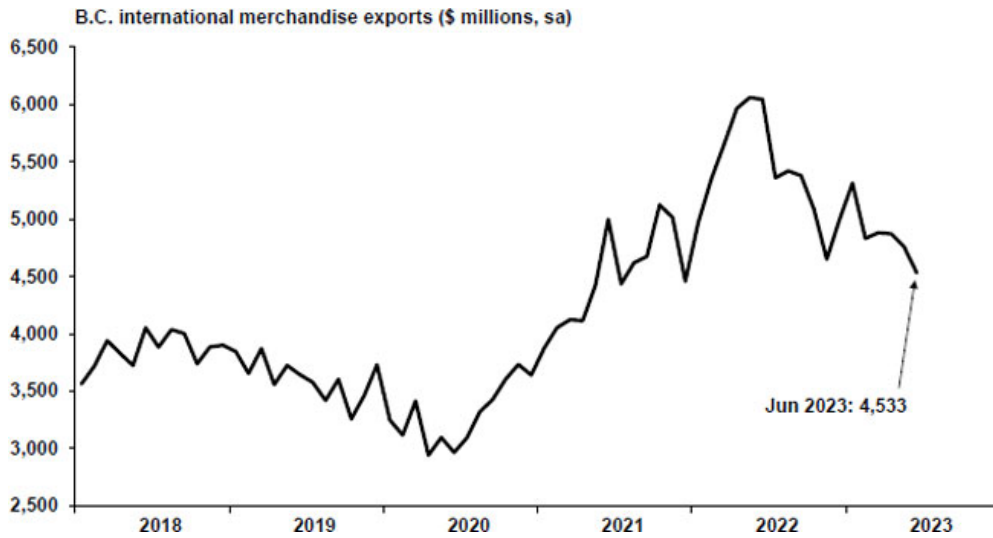
The Ministry expects nominal net operating surplus of corporations (an approximation of corporate profits) to decrease by 11.8 per cent in 2023 and by 9.1 per cent in 2024 amid slower global economic activity. Then, net operating surplus of corporations is forecast to increase between 1.5 per cent and 4.7 per cent in the 2025 to 2027 period.

External Trade and Commodity Markets

So far this year, weaker global demand and lower prices for key commodities have lowered B.C. merchandise exports. During the first six months of 2023, the value of B.C. goods exports decreased by 14.2 per cent compared to the same period of 2022. Year-to-date declines were broad-based, led by decreases in exports of forestry products and building and packaging materials (-30.2 per cent) and energy products (-17.0 per cent). Meanwhile, exports of electronic and electrical equipment and parts (+17.1 per cent) and industrial machinery, equipment and parts (+16.2 per cent) increased on a year-to-date basis.

Merchandise exports to the U.S. accounted for 54.6 per cent of B.C.'s total goods exports in the first six months of 2023. During this period, goods exports to the U.S. fell by 15.9 per cent, largely due to a decline in forestry products and building and packaging materials (-36.0 per cent). Meanwhile, total goods exports to non-U.S. destinations decreased by 12.1 per cent, led by a drop in energy exports (-17.9 per cent).

Chart 2.8 B.C. Exports



Source: BC Stats

B.C.'s manufacturing shipments decreased by 7.7 per cent year-to-date to June 2023 compared to the same period of 2022, mainly due to reduced shipments of wood products (-36.8 per cent).

In 2022, the war in Ukraine, persistent supply-chain disruptions and strong demand led to rapid growth in commodity prices. However, prices for some commodities have declined this year reflecting reduced demand in the manufacturing sector amid high interest rates and slower global economic activity. The price of Western spruce-pine-fir (SPF) 2x4 lumber averaged \$393 US/000 board feet during the January to July period of 2023, down 61.6 per cent compared to the same period of 2022.

Energy prices have softened amid concerns over a broader global economic slowdown. In the first seven months of 2023, the West Texas Intermediate (WTI) oil price averaged \$75.08 per barrel, down 26.1 per cent from the same period of 2022. Similarly, the plant inlet price of natural gas fell 53.2 per cent year-to-date, averaging \$1.94 C/GJ in the first seven months of 2023.

Meanwhile, the average metallurgical coal price fell by 34.1 per cent year-to-date to July 2023 compared to the same period of 2022 amid weaker market conditions. Zinc and copper declined by 25.5 per cent and 8.2 per cent, respectively. The price for molybdenum rose 44.6 per cent, while price gains for gold and silver were modest compared to the first seven months of 2022.

Outlook

Real exports of goods and services are forecast to grow by 0.7 per cent in 2023 and decrease by 0.2 per cent in 2024 reflecting lower commodity prices and weaker global demand. Then, real exports of goods and services are expected to grow between 2.8 per cent and 5.6 per cent annually in the 2025 to 2027 period.

The price of lumber is forecast to average \$400 US/000 board feet in 2023 and \$450 US/000 board feet in 2024, before levelling off at \$500 US/000 board feet over the medium-term. The plant inlet price for natural gas is expected to average \$1.29 C/GJ in 2023/24, \$2.03 C/GJ in 2024/25, and \$2.33 C/GJ in 2025/26.

Demographics

On April 1, 2023, B.C.'s population was 5.44 million people, up 3.1 per cent from the same date in 2022. During the January to March period of 2023, the province welcomed 40,128 net migrants, up 66.6 per cent compared to the same period of 2022 and continuing the strong growth seen in recent quarters. The increase in immigration in the first three months of 2023 reflects higher net international migration (from +21,266 persons to +40,840 persons), which offset a decline in net interprovincial migration (from +2,816 persons to -712 persons) compared to the same period last year.

Outlook

B.C.'s July 1 population is projected to increase by 3.2 per cent in 2023, 2.9 per cent in 2024, and then average 1.7 per cent annual growth over the medium-term.

Total net migration is expected to be about 173,500 persons in 2023 and 118,100 persons in 2024. Looking beyond, total net migration is projected to taper down to around 98,800 persons in 2027. Over the forecast horizon, international migrants are expected to average around 95 per cent of total migrants, which is higher than recent historical levels, reflecting higher federal immigration targets and the entry of more non-permanent residents.

Risks to the Economic Outlook

There are some upside risks to B.C.'s economy, such as inflationary pressures easing sooner than expected and a less pronounced slowing of the global economy. However, risks are weighted to the downside. Downside risks to B.C.'s economic outlook include the following:

- persistent high inflation reducing affordability, and leading to higher interest rates over a longer period;
- uncertainty around the extent of the impact of higher interest rates on consumer and business borrowing, as well as housing markets;
- aging demographics and housing affordability weighing on the supply of labour;
- weaker than expected global economic activity, geopolitical conflict weighing on trade and commodity markets, and broader economic challenges in Europe and Asia;
- severe climate-related events disrupting the lives and livelihoods of British Columbians, destroying productive capital, and impacting economic activity;
- lower prices for B.C.'s major commodity exports, such as lumber, pulp, natural gas, and coal;
- higher volatility in international foreign exchange, stock, and bond markets; and
- timing of investment and hiring related to the LNG Canada project, similar to the risks that exist for other major capital projects.

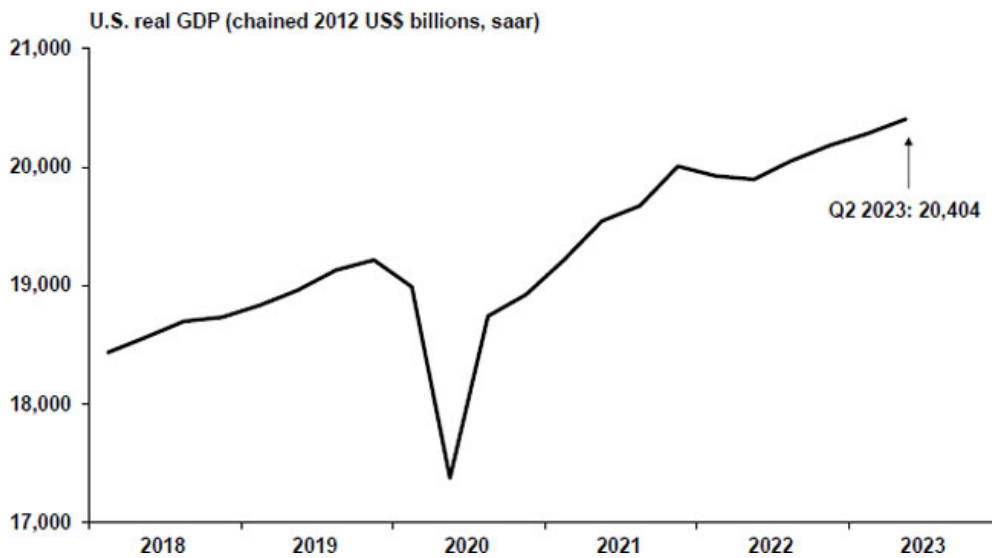
External Outlook

The economic outlook for most of B.C.’s major trading partners has improved for 2023 and worsened for 2024 compared to *Budget 2023*, reflecting the delayed impact of interest rate increases on global economies. Although global inflation has been easing since the start of 2023, core inflation and specific components, including food prices, have remained elevated. In addition, labour market conditions across numerous countries continue to be tight. While many of B.C.’s major trading partners saw stronger economic activity this year than originally anticipated, the effects of rising interest rates on consumption, investment, and exports, coupled with geopolitical uncertainties, may present economic challenges both later this year and into 2024. As inflation returns to target levels, global economic activity is expected to pick up once again over the medium-term.

United States

The U.S. economy showed resilience in the first half of 2023, despite a restrictive monetary policy environment. U.S. real GDP grew by an annualized rate of 2.4 per cent in the second (April to June) quarter of 2023, following annualized growth of 2.0 per cent in the first (January to March) quarter. The second quarter growth reflected an increase in consumer spending, primarily on services, and gains in non-residential investment. The increases were partially offset by declines in exports and residential investment compared to the first quarter.

Chart 2.9 U.S. Real GDP

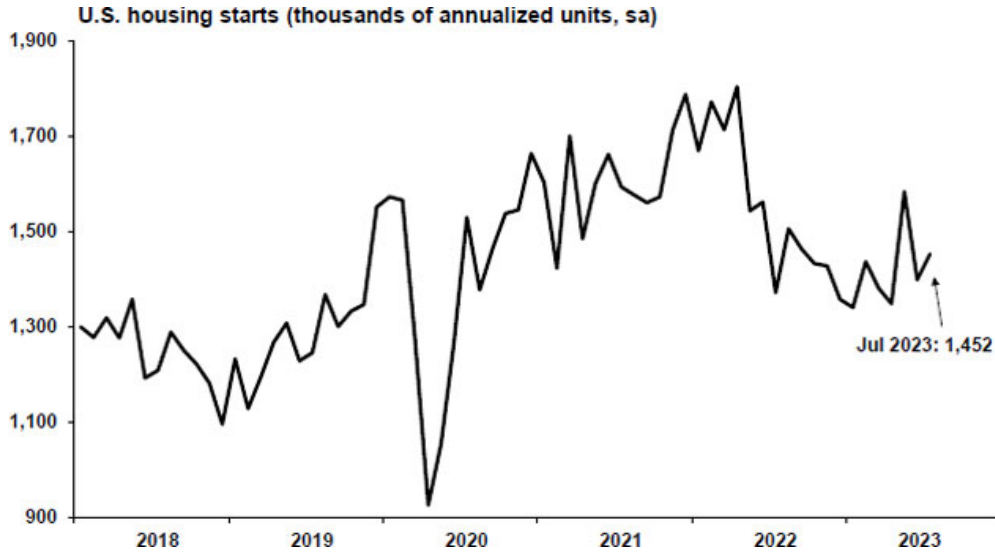


Sources: U.S. Bureau of Economic Analysis; Haver Analytics

As of July 2023, the U.S. labour market had recorded net payroll job gains for 31 consecutive months. On a year-to-date basis, employment was 4.0 million jobs (+2.7 per cent) above the first seven months of last year. The unemployment rate was 3.5 per cent in July 2023, and was 0.1 percentage points lower on average in the first seven months of 2023 compared to the same period in 2022. Year-to-date to July 2023, the average duration of unemployment was down 14.4 per cent compared to the same period last year and 6.4 per cent lower when compared to the same period in 2019, before the pandemic. However, the U.S. labour force participation rate was 62.6 per cent in July 2023, 0.7 percentage points lower than February 2020, contributing to an already tight labour market.

U.S. home sales activity rebounded in the first half of 2023 but generally remains below the levels reached in the past several years. Year-to-date to July 2023, existing home sales were 23.5 per cent lower while new single-family home sales were 1.1 per cent higher compared to the same period last year. The median sales price was down on a year-to-date basis for both existing (-0.6 per cent) and new single-family homes (-3.8 per cent). Similarly, U.S. housing starts declined 13.1 per cent in the first seven months of 2023 compared to the same period of 2022, reflecting fewer single-family starts (-18.6 per cent) and multi-family starts (-1.6 per cent). Furthermore, U.S. residential building permits, an indicator of future building activity, declined by 19.1 per cent in the first seven months of 2023 compared to the same period last year.

Chart 2.10 U.S. Housing Starts



Sources: U.S. Census Bureau; Haver Analytics

Year-to-date to July 2023, U.S. nominal retail sales were up by 3.3 per cent compared to the first seven months of 2022. However, growth in U.S. retail sales has slowed and was flat in the second quarter of 2023. Furthermore, retail sales (measured in nominal dollars) has been boosted by lingering inflation and estimates of real retail sales growth are negative in the first seven months of 2023 compared to the same period last year.

Following its peak of 9.1 per cent (year-over-year) in June 2022, consumer price inflation in the U.S. declined in 12 of the last 13 months and was 3.2 per cent in July 2023. The downward trend in consumer price inflation in 2023 partly reflects easing demand and lower commodity prices.

The US Conference Board Consumer Confidence Index has improved in recent months, including substantial gains in June and July. Year-to-date to July 2023, U.S. consumer confidence averaged 106.7 points, which was 2.4 points above the same period last year.

Year-to-date to June 2023, the value of U.S. merchandise exports decreased slightly (-0.1 per cent). The decline was led by lower exports of petroleum and natural gas products, which were partly offset by higher pharmaceutical exports.

Outlook

In July 2023, *Consensus Economics (Consensus)* projected U.S. economic growth of 1.6 per cent in 2023 compared to 0.3 per cent in the January 2023 *Consensus* survey. Meanwhile for 2024, *Consensus* forecasts growth of 0.5 per cent.

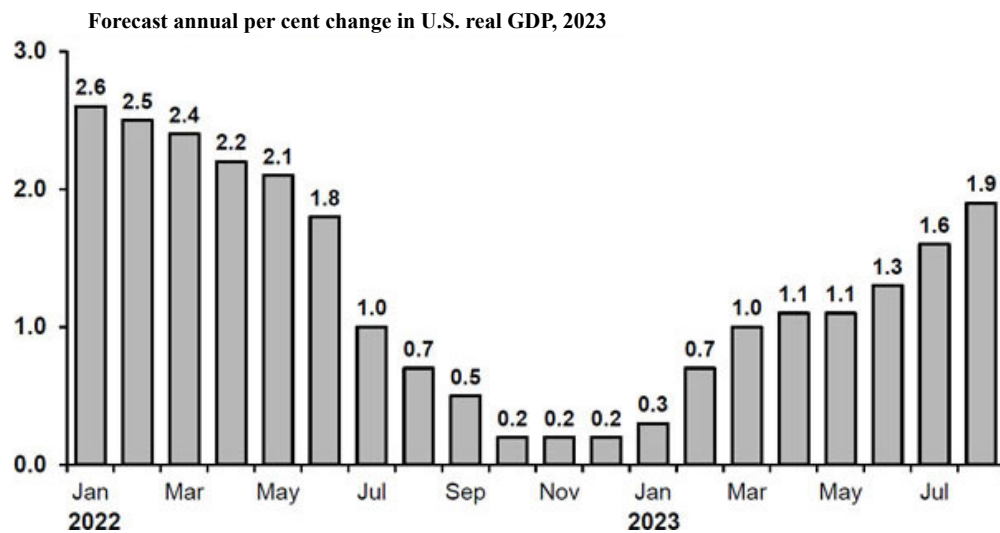
Table 2.2 U.S. Real GDP Forecast: Consensus versus B.C. Ministry of Finance

	2023	2024
B.C. Ministry of Finance	1.8	0.4
<i>Consensus Economics (July 2023*)</i>	1.6	0.5

* Comparable month to B.C. Ministry of Finance forecast.

The potential for further interest rate increases by the Federal Reserve in the latter half of 2023 is expected to exert pressure on the U.S. economy in the near-term. In addition, geopolitical tensions worldwide and the slowdown of the global economy increases risk for trade and economic growth. Based on these uncertainties, the Ministry assumes that U.S. real GDP will grow by 1.8 per cent in 2023 and by 0.4 per cent in 2024, while averaging 1.8 per cent annually over the 2025 to 2027 period.

Chart 2.11 Consensus Outlook for the U.S. in 2023



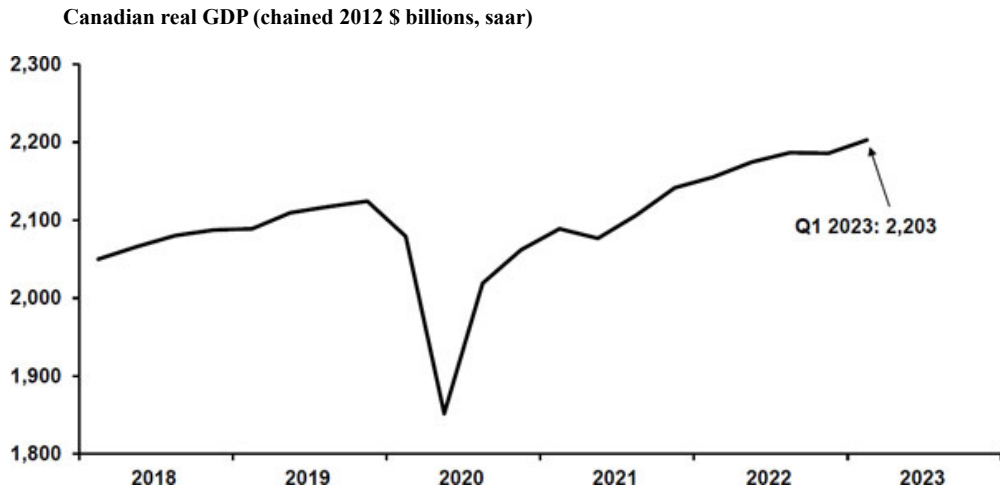
Source: Consensus Economics

The chart above represents forecasts for U.S. real GDP growth in 2023 as polled on specific dates. For example, forecasters surveyed on January 10, 2022 had an average 2023 U.S. real GDP growth forecast of 2.6 per cent, while on August 7, 2023 they forecast 2023 U.S. real GDP to grow by 1.9 per cent.

Canada

The Canadian economy grew 3.1 per cent (annualized) in the first quarter of 2023, following a decline of 0.1 per cent (annualized) in the fourth (October to December) quarter of 2022. Real GDP growth in the first quarter was driven by gains in consumer spending and net exports. Consumer spending grew by 5.7 per cent compared to the fourth quarter of 2022, driven by increases in durable goods expenditure, particularly for motor vehicles. Exports grew by 10.1 per cent supported by shipments of motor vehicles, precious metals and agricultural goods. However, increases were partially offset by a slowdown in inventory accumulations and lower residential investment, which fell 14.6 per cent (annualized) in the first quarter of 2023.

Chart 2.12 Canadian Real GDP



Sources: Statistics Canada; Haver Analytics

After rising by 4.0 per cent in 2022, Canadian employment continued to grow in 2023 but at a slower pace. Year-to-date to July 2023, employment was up by 2.4 per cent compared to the same period last year. The unemployment rate, which had held steady at 5.0 per cent since December 2022, rose from 5.2 per cent in May 2023 to 5.5 per cent in July, partly reflecting labour force increases. Year-to-date to July, the unemployment rate was 0.2 percentage points lower compared to the first seven months of 2022 and averaged 5.2 per cent.

Job vacancies have fallen 11.9 per cent between the first quarter of 2022 and the first quarter of 2023 but remain elevated compared to pre-2020 levels. Year-to-date to July 2023, Canada's labour force participation rate has remained consistent at 65.6 per cent, slightly above the rate from the same period in 2022. While the participation rate for the prime- age cohort (25-54 years) has been near record highs in 2023 so far, the participation rate among the 55+ years age group is below its pre-pandemic five-year average. The Bank of Canada's latest Business Outlook Survey released in June 2023 reports that although labour shortages remain a concern for firms, most notably in sectors such as manufacturing, construction, and retail trade, there are signs of improving conditions due to increased labour supply.

Partly due to higher interest rates, Canadian housing market activity continued to weaken in the first quarter of 2023 before posting a modest rebound in the second quarter. Despite the rebound, housing starts were down 8.1 per cent year-to-date to July compared to the same period last year. The decline so far in 2023 was primarily driven by slower construction in urban centers of Montreal and Edmonton but was partially offset by growth in Toronto and Vancouver. Canadian MLS home sales increased by 17.0 per cent in the second quarter of 2023; however, due to declines earlier in the year, they were down by 20.0 per cent year-to-date to July. The national average home sale price declined by 6.5 per cent year-to-date to July 2023.

Canadian nominal retail sales were up 2.2 per cent year-to-date to June compared to the same period last year, partly driven by stronger sales at motor vehicle and parts dealers. On a volume basis, Canadian retail sales were up 1.4 per cent year-to-date to June.

Driven in part by rising interest rates and falling energy prices, consumer price inflation in Canada has decelerated in 2023. Year-over-year, national inflation declined to 3.3 per cent in July 2023 (compared to the 8.1 per cent peak in June 2022), which is still above the Bank of Canada’s target range. In July, food (+7.8 per cent, year-over-year) and shelter (+5.1 per cent, year-over-year) prices added the most upward pressure on national inflation.

After rising 24.9 per cent in 2022, Canadian merchandise exports declined in the first half of 2023 as commodity prices decreased. Year-to-date to June, the value of Canadian merchandise exports declined by 1.0 per cent compared to the same period in 2022, led by lower exports of energy products (-18.0 per cent), and forestry products and building and packaging materials (-20.1 per cent). Services exports were up 12.9 per cent on a year-to-date basis led by the continued recovery of travel services.

Outlook

The July 2023 *Consensus* forecasts Canadian real GDP to rise by 1.4 per cent in 2023 (1.0 percentage points higher than the January 2023 survey) and by 0.9 per cent in 2024.

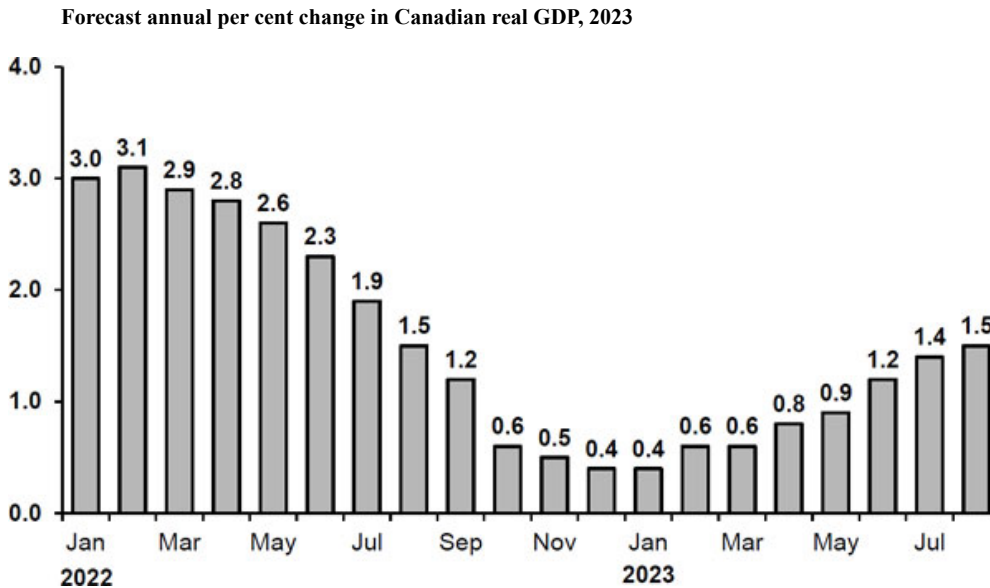
Table 2.3 Canadian Real GDP Forecast: Consensus versus B.C. Ministry of Finance

	2023	2024
	Per cent change in real GDP	
B.C. Ministry of Finance	1.4	0.8
<i>Consensus Economics (July 2023*)</i>	1.4	0.9

* Comparable month to B.C. Ministry of Finance forecast.

The impact of higher interest rates on household spending and business investment, along with weaker exports attributed to global economic activity, could create headwinds for the Canadian economy. The Ministry assumes that the Canadian economy will grow by 1.4 per cent in 2023, 0.8 per cent in 2024 and then average 1.9 per cent annual growth over the 2025 to 2027 period.

Chart 2.13 Consensus Outlook for Canada in 2023



Source: Consensus Economics

The chart above represents forecasts for Canadian real GDP growth in 2023 as polled on specific dates. For example, forecasters surveyed on January 10, 2022 had an average 2023 Canadian real GDP growth forecast of 3.0 per cent, while on August 7, 2023 they forecast 2023 Canadian real GDP to grow by 1.5 per cent.

Asia

China's economy witnessed a robust recovery in the first quarter of 2023, marked by the lifting of pandemic restrictions, leading to real GDP growing at an annualized rate of 12.0 per cent. However, real GDP in the second quarter declined by an annualized rate of 1.7 per cent. The underperformance of China's economy in the second quarter reflected several factors, including a rising youth unemployment rate, a weak housing market, and weaker exports due to waning global demand. China's consumer price inflation rate has been below 2 per cent since February 2023 and turned negative in July. The People's Bank of China reduced its main benchmark lending rates in both June and August to stimulate demand.

Japan's economy grew at an annualized rate of 6.0 per cent in the second quarter of 2023, following an increase of 3.7 per cent in the first quarter. Growth in the second quarter was supported by exports, particularly for vehicles and tourism, as well as residential construction. Meanwhile, consumption declined as the fall in the value of the Yen increased import prices. In July, the Bank of Japan adjusted its yield curve control policy, allowing long-term interest rates to rise.

Outlook

The July 2023 *Consensus* forecasted that China's real GDP will grow by 5.5 per cent in 2023 and 4.8 per cent in 2024. However, worsening geopolitical tensions, continued weakness in the property market and a slowdown in external demand could present headwinds for China's economic growth. The Ministry prudently forecasts that China's economy will expand by 5.3 per cent in 2023, 4.6 per cent in 2024, and average 4.4 per cent annual growth over the 2025 to 2027 period.

The July 2023 *Consensus* expected Japan real GDP growth of 1.2 per cent in 2023 and 1.0 per cent in 2024. In recognition of downside risks, the Ministry assumes a more moderate pace of growth in Japan's real GDP. The Ministry forecasts economic activity to rise by 1.0 per cent in 2023 and 0.8 per cent in 2024, and average 0.5 per cent annual growth over the 2025 to 2027 period.

Europe

Economic activity in the euro zone in 2023 has been dampened by elevated inflation and rising interest rates. However, growth improved in the second quarter as annualized real GDP in the euro zone increased by 1.0 per cent, following a 0.1 per cent increase in the first quarter. On a year-to-date basis through the second quarter of 2023 compared to the same period last year, Spain, France, and Italy contributed to euro zone economic growth while Germany's economy contracted.

Despite headline inflation easing to 5.3 per cent year-over-year in July, it remained well above the European Central Bank's (ECB) 2 per cent target with some components remaining persistently high (such as food prices). On July 27, 2023 (effective August 2, 2023), the ECB announced its ninth straight interest rate increase, bringing the deposit rate to 3.75 per cent, its highest level since 2000, and kept options open for further rate increases in the future if appropriate.

Outlook

The July 2023 *Consensus* forecasted that the euro zone economy would grow by 0.5 per cent in 2023 and 0.9 per cent in 2024. Tighter monetary conditions, a global demand slowdown and ongoing geopolitical tensions are expected to create headwinds for the euro zone economy throughout the rest of 2023 and into 2024. As such, the Ministry forecasts real GDP to grow by 0.4 per cent in 2023, 0.7 per cent in 2024, and average 1.2 per cent over the 2025 to 2027 period.

Financial Markets

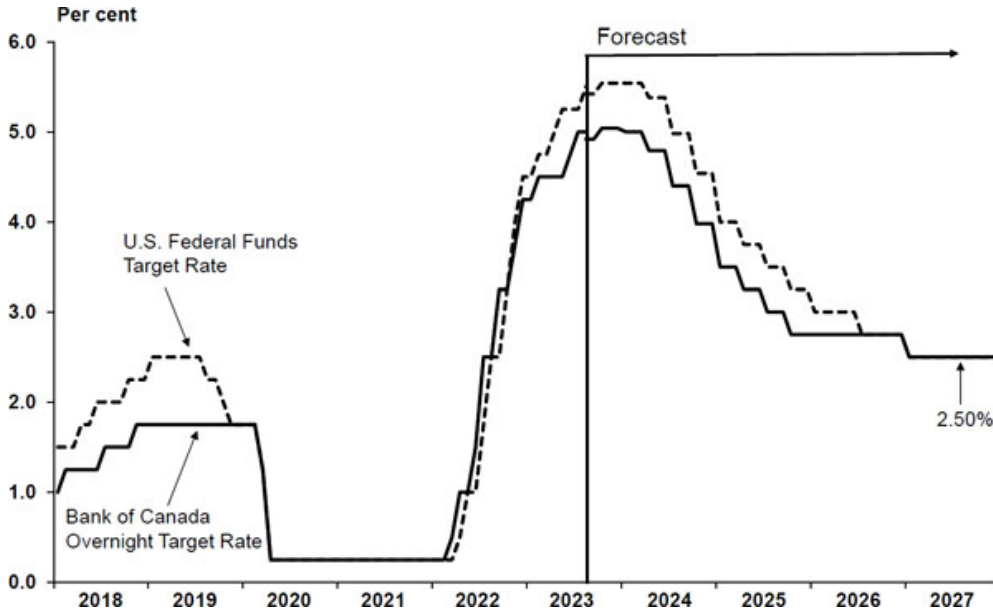
Interest Rates

The U.S. Federal Reserve (Fed) continued its interest rate hikes in the first half of 2023 to reduce inflation. The Fed has increased rates four times in 2023, each time by 0.25 percentage points (pp), with the last increase in July bringing the target range for the federal funds rate to 5.25 to 5.50 per cent, the highest level since January 2001. Throughout 2023, the Federal Reserve also continued to reduce its holdings of Treasury securities, agency debt and mortgage-backed securities. Comparing their June 2023 projections to those released prior to *Budget 2023* (December 2022), the Fed is anticipating stronger economic growth and lower unemployment in 2023, weaker economic growth in 2024, and higher core inflation over the 2023 to 2025 period. The Fed also left the door open for additional policy tightening in future meetings if deemed appropriate.

Following a pause in interest rate increases through the spring, the Bank of Canada (BoC) surprised markets by increasing interest rates twice in the summer. In both June and July, the BoC increased its target for the overnight interest rate by 0.25 pp, bringing the target for the overnight rate to 5.00 per cent, the highest rate since March 2001.

The BoC's increases to the policy interest rate reflected its view that monetary policy was not tight enough to return supply and demand back to balance and bring inflation sustainably back to target. In their July interest rate announcement, the BoC noted that global consumer price inflation was on a downward trend, largely due to lower energy prices, but underlying price pressures remained and core inflation was persistent. Looking ahead, the BoC projects inflation to remain close to 3 per cent until the middle of 2024, before reaching the 2 per cent target in the middle of 2025.

Chart 2.14 Interest Rate Forecasts



Sources: Bank of Canada; U.S. Federal Reserve; and B.C. Ministry of Finance forecasts.

Outlook

Both the U.S. Federal Reserve and the Bank of Canada expect that additional interest rate increases could be necessary if inflationary pressures persist, but emphasized that any rate changes will be dependent on economic data. Based on the average of six private sector forecasts as of July 21, 2023, the Ministry assumes that the U.S. federal funds rate will average 5.20 per cent in 2023 and 5.11 per cent in 2024. By comparison, the Bank of Canada's target for the overnight rate is expected to average 4.74 per cent in 2023 and 4.54 per cent in 2024.

The Canadian three-month treasury bill interest rate is expected to average 4.79 per cent in 2023 and 4.42 per cent in 2024, according to the same six private sector forecasters. Meanwhile, the 10-year Government of Canada bond rate is assumed to average 3.19 per cent in 2023 and 3.10 per cent in 2024.

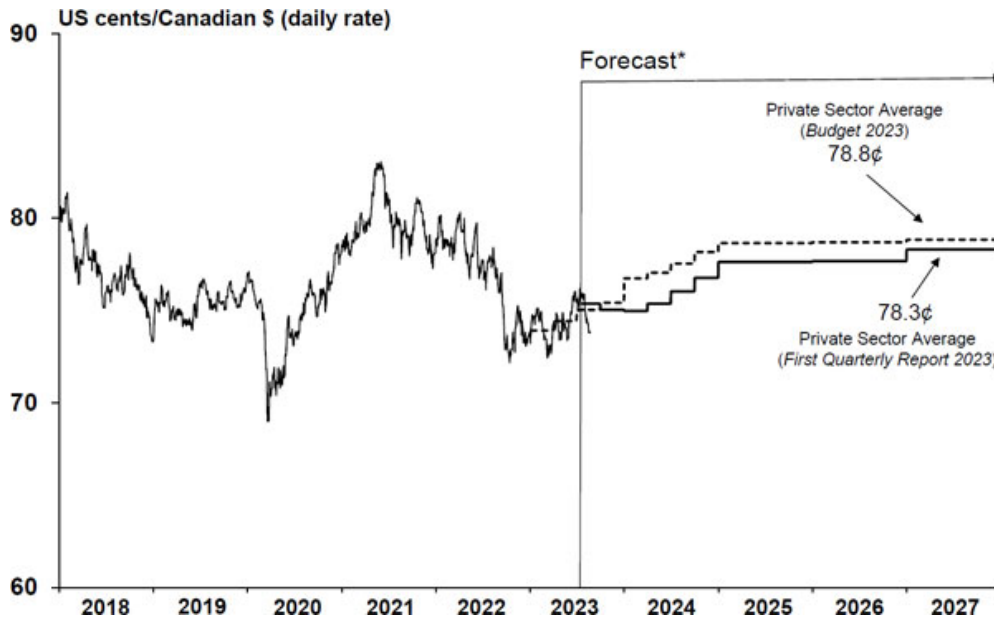
Table 2.4 Private Sector Canadian Interest Rate Forecasts

Average annual interest rate (per cent)	3-month Treasury Bill		10-year Government Bond	
	2023	2024	2023	2024
BMO	4.82	4.50	3.22	3.11
CIBC	4.85	4.36	3.25	3.06
National Bank	4.74	4.29	3.19	3.13
RBC	4.78	4.63	3.10	2.86
Scotiabank	4.80	4.50	3.15	3.43
TD	4.76	4.22	3.21	3.04
Average (as of July 21, 2023)	4.79	4.42	3.19	3.10

Exchange Rates

Since the fourth quarter of 2022, reduced global economic uncertainty, along with slower inflation decreased the demand for safe-haven assets such as the U.S. dollar and contributed to a modest appreciation of the Canadian dollar. During the first seven months of 2023, the Canadian dollar averaged 74.4 US cents.

Chart 2.15 Private Sector Expectations for the Canadian Dollar



Sources: Bank of Canada and B.C. Ministry of Finance forecasts.

* Based on the average of private sector forecasts. *First Quarterly Report 2023* as of July 21, 2023 and *Budget 2023* as of January 5, 2023.

Outlook

Based on the average of six private sector forecasts as of July 21, 2023, the Ministry assumes the Canadian dollar will average 74.7 US cents in 2023 and edge up to 75.8 US cents in 2024.

Table 2.5 Private Sector Exchange Rate Forecasts

Average annual exchange rate (US cents/Canadian \$)	2023	2024
BMO	75.2	77.7
CIBC	74.9	77.0
National Bank	74.0	73.1
RBC	74.1	74.2
Scotiabank	75.4	79.0
TD	74.6	73.7
Average (as of July 21, 2023)	74.7	75.8

Table 2.6.1 Gross Domestic Product (GDP): British Columbia

	2021	2022 ^e	Forecast				
			2023	2024	2025	2026	2027
Gross Domestic Product at Market Prices:							
– Real (chained 2012 \$ billions)	282.1	291.3	294.7	297.0	304.1	311.0	317.7
(% change)	6.1	3.3	1.2	0.8	2.4	2.3	2.2
– Nominal (current prices, \$ billions)	350.6	391.7	403.2	416.4	434.2	452.2	471.4
(% change)	14.2	11.7	2.9	3.3	4.3	4.2	4.2
– GDP price deflator (2012 = 100)	124.3	134.4	136.8	140.2	142.7	145.4	148.4
(% change)	7.6	8.2	1.8	2.5	1.8	1.9	2.0
Real GDP per person (chained 2012 \$)	54,227	54,772	53,680	52,586	52,941	53,251	53,480
(% change)	5.2	1.0	-2.0	-2.0	0.7	0.6	0.4
Real GDP per employed person							
(% change)	0.0	0.1	0.1	0.0	1.1	1.0	0.9
Unit labour cost ¹ (% change)	6.0	7.2	4.7	4.3	2.2	1.6	1.6
Components of Real GDP at Market Prices (chained 2012 \$ billions)							
Household expenditure on goods and services	182.5	188.9	193.4	197.7	202.1	206.9	212.3
(% change)	7.3	3.5	2.4	2.2	2.3	2.4	2.6
– Goods	78.3	75.8	75.1	75.2	76.0	77.1	78.2
(% change)	7.9	-3.2	-0.9	0.1	1.1	1.4	1.5
– Services	104.4	113.2	118.4	122.6	126.3	130.0	134.2
(% change)	6.8	8.5	4.5	3.6	3.0	2.9	3.3
NPISH ² expenditure on goods and services	4.5	4.7	4.8	5.0	5.1	5.2	5.3
(% change)	2.9	4.9	2.9	2.5	2.2	1.9	1.9
Government expenditure on goods and services	53.6	55.5	56.1	54.5	54.6	54.7	54.7
(% change)	7.9	3.5	1.1	-2.8	0.1	0.1	0.1
Investment in fixed capital	77.0	79.0	81.9	84.2	86.0	87.6	89.4
(% change)	10.5	2.6	3.7	2.8	2.2	1.9	2.0
Final domestic demand	318.3	328.7	336.9	342.0	348.4	354.9	362.1
(% change)	8.1	3.3	2.5	1.5	1.9	1.9	2.0
Exports of goods and services	99.0	105.8	106.6	106.4	112.4	117.3	120.6
(% change)	3.2	6.9	0.7	-0.2	5.6	4.4	2.8
Imports of goods and services	136.1	144.2	148.3	150.8	156.1	160.8	164.9
(% change)	10.3	5.9	2.8	1.7	3.5	3.0	2.5
Inventory change	1.7	1.7	0.3	0.1	0.1	0.2	0.4
Statistical discrepancy	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Real GDP at market prices	282.1	291.3	294.7	297.0	304.1	311.0	317.7
(% change)	6.1	3.3	1.2	0.8	2.4	2.3	2.2

¹ Unit labour cost is the nominal cost of labour incurred to produce one unit of real output.

² Non-profit institutions serving households.

^e B.C. Ministry of Finance estimate.

Table 2.6.2 Selected Nominal Income and Other Indicators: British Columbia

	2021	2022	Forecast				
			2023	2024	2025	2026	2027
Compensation of employees ¹ (\$ millions)	171,837	190,233	201,523	211,895	221,663	230,229	238,904
(% change)	12.5	10.7	5.9	5.1	4.6	3.9	3.8
Household income (\$ millions)	306,148	326,780 _e	347,506	362,161	377,041	391,619	406,986
(% change)	5.5	6.7	6.3	4.2	4.1	3.9	3.9
Net operating surplus (\$ millions)	44,601	53,878 _e	47,511	43,173	43,829	45,476	47,615
(% change)	26.3	20.8	-11.8	-9.1	1.5	3.8	4.7
Retail sales (\$ millions)	104,653	107,889	110,481	113,252	117,110	121,203	125,506
(% change)	12.6	3.1	2.4	2.5	3.4	3.5	3.5
Housing starts (units)	47,607	46,721	46,727	42,140	40,024	40,044	40,063
(% change)	26.2	-1.9	0.0	-9.8	-5.0	0.0	0.0
Residential sales (\$ millions)	115,729	80,559	71,182	83,181	89,336	91,746	94,109
(% change)	57.7	-30.4	-11.6	16.9	7.4	2.7	2.6
Residential sales (units)	124,769	80,848	73,996	83,980	88,032	88,090	88,110
(% change)	32.9	-35.2	-8.5	13.5	4.8	0.1	0.0
Residential average sale price (\$)	927,549	996,428	961,969	990,489	1,014,818	1,041,503	1,068,077
(% change)	18.7	7.4	-3.5	3.0	2.5	2.6	2.6
Consumer price index (2002 = 100)	136.1	145.5	151.2	155.0	158.4	161.5	164.8
(% change)	2.8	6.9	3.9	2.5	2.2	2.0	2.0

¹ Domestic basis; wages, salaries and employers' social contributions.

_e B.C. Ministry of Finance estimate.

Table 2.6.3 Labour Market Indicators: British Columbia

	2021	2022	Forecast				
			2023	2024	2025	2026	2027
Population (thousands at July 1)	5,202	5,319	5,490	5,648	5,745	5,840	5,941
(% change)	0.9	2.2	3.2	2.9	1.7	1.7	1.7
Net migration (thousands)							
– International ^{1,4}	67.6	150.8	173.6	117.6	94.3	86.7	86.8
– Interprovincial ⁴	27.2	0.5	-0.1	0.5	2.3	10.8	12.0
– Total	94.8	151.3	173.5	118.1	96.6	97.5	98.8
Labour force population ² (thousands)	4,350	4,426	4,510	4,643	4,741	4,834	4,927
(% change)	1.2	1.7	1.9	3.0	2.1	2.0	1.9
Labour force (thousands)	2,852	2,881	2,936	2,974	3,006	3,035	3,066
(% change)	3.3	1.0	1.9	1.3	1.1	1.0	1.0
Participation rate ³ (%)	65.6	65.1	65.1	64.1	63.4	62.8	62.2
Employment (thousands)	2,664	2,748	2,778	2,800	2,837	2,873	2,909
(% change)	6.2	3.2	1.1	0.8	1.3	1.2	1.2
Unemployment rate (%)	6.6	4.6	5.4	5.9	5.6	5.3	5.1

¹ International migration includes net non-permanent residents and returning emigrants less net temporary residents abroad.

² The civilian, non-institutionalized population 15 years of age and over.

³ Percentage of the labour force population in the labour force.

⁴ Components may not sum to total due to rounding.

Table 2.6.4 Major Economic Assumptions

	2021	2022	Forecast				
			2023	2024	2025	2026	2027
Real GDP							
Canada (chained 2012 \$ billions)	2,103	2,176	2,206	2,224	2,268	2,309	2,351
(% change)	5.0	3.4	1.4	0.8	2.0	1.8	1.8
U.S. (chained 2012 US\$ billions)	19,610	20,014	20,374	20,456	20,865	21,241	21,602
(% change)	5.9	2.1	1.8	0.4	2.0	1.8	1.7
Japan (chained 2015 Yen trillions)	540	546	551	556	559	562	565
(% change)	2.2	1.0	1.0	0.8	0.6	0.5	0.5
China (constant 2010 US\$ billions)	12,775	13,157	13,855	14,492	15,130	15,795	16,490
(% change)	8.4	3.0	5.3	4.6	4.4	4.4	4.4
Euro zone ¹ (chained 2015 Euro billions)	11,301	11,687	11,733	11,815	11,969	12,113	12,258
(% change)	5.4	3.4	0.4	0.7	1.3	1.2	1.2
Industrial production index (% change)							
U.S.	4.4	3.4	-0.3	-0.8	2.0	1.7	1.7
Japan	5.6	0.1	-0.8	1.4	0.9	0.7	0.7
China	10.9	3.8	4.2	4.3	4.1	4.1	4.1
Euro zone ¹	8.9	2.3	-0.7	1.1	1.6	1.2	1.2
Housing starts (thousands)							
Canada	271	262	225	205	200	200	200
(% change)	24.5	-3.4	-14.1	-8.9	-2.4	0.0	0.0
U.S.	1,601	1,553	1,380	1,345	1,350	1,350	1,350
(% change)	16.0	-3.0	-11.1	-2.5	0.4	0.0	0.0
Japan	856	860	855	855	880	880	880
(% change)	5.0	0.4	-0.5	0.0	2.9	0.0	0.0
Consumer price index							
Canada (2002 = 100)	141.6	151.2	156.8	160.7	164.2	167.5	170.9
(% change)	3.4	6.8	3.7	2.5	2.2	2.0	2.0
Canadian interest rates (%)							
3-month treasury bills	0.12	2.30	4.79	4.42	3.13	2.75	2.50
10-year government bonds	1.36	2.77	3.19	3.10	3.00	2.85	2.85
United States interest rates (%)							
3-month treasury bills	0.04	2.08	5.25	4.84	3.63	2.88	2.50
10-year government bonds	1.44	2.95	3.72	3.51	3.25	3.13	3.00
Exchange rate (US cents / Canadian \$)							
	79.8	76.8	74.7	75.8	77.6	77.7	78.3
British Columbia goods and services							
Export price deflator (% change)	15.8	12.6 ^e	-2.4	1.8	1.2	1.2	1.2

¹ Euro zone (20) is Austria, Belgium, Croatia, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Portugal, Slovakia, Slovenia, and Spain.

^e B.C. Ministry of Finance estimate.

Table A1 Material Assumptions – Revenue

Revenue Source and Assumptions (\$ millions unless otherwise specified)	Budget Estimate 2023/24	Updated Forecast 2023/24	Plan 2024/25	Plan 2025/26	2023/24 Sensitivities
Personal income tax *	15,953	15,431	16,149	16,940	
<u>Current calendar year assumptions</u>					
Household income growth	6.1%	6.3%	4.2%	4.1%	+/- 1 percentage point change in 2023 B.C. household income growth equals +/- \$140 to \$160 million
Employee compensation growth	6.3%	5.9%	5.1%	4.6%	
Tax base growth	6.0%	6.2%	4.3%	4.0%	
Average tax yield	6.36%	6.32%	6.34%	6.40%	
Current-year tax	15,528	14,924	15,621	16,415	
Prior year's tax assessments	520	550	560	570	
Unapplied taxes	100	150	150	150	
B.C. Tax Reduction	(205)	(205)	(210)	(215)	
Non-refundable B.C. tax credits	(176)	(176)	(176)	(176)	
Policy neutral elasticity **	0.9	0.9	1.1	1.2	+/- 0.5 change in 2023 B.C. policy neutral elasticity equals +/- \$440 to \$460 million
<u>Fiscal year assumptions</u>					
Prior-year adjustment	-	9			
<u>2022 Tax-year</u>	<u>2022 Assumptions</u>				
Household income growth	7.1%	6.7%			+/- 1 percentage point change in 2022 B.C. household or taxable income growth equals +/- \$170 to \$190 million one-time effect (prior-year adjustment) and could result in an additional +/- \$140 to \$160 million base change in 2023/24
Tax base growth	6.2%	2.5%			
Average 2022 tax yield	6.38%	6.34%			
2022 tax	14,713	14,113			
2021 & prior year's tax assessments	510	700			
Unapplied taxes	100	150			
B.C. Tax Reduction	(197)	(197)			
Non-refundable B.C. tax credits	(176)	(176)			
Policy neutral elasticity **	0.8	0.2			
* Reflects information as at August 18, 2023					
** Per cent growth in current year tax revenue (excluding policy measures) relative to per cent growth in household income (calendar year).					
Corporate income tax *	5,938	6,037	7,616	5,942	
<u>Components of revenue (fiscal year)</u>					
Installments – subject to general rate	6,879	5,929	7,229	6,672	
Installments – subject to small business rate	350	295	360	332	
Non-refundable B.C. tax credits	(187)	(187)	(172)	(177)	
Advance installments	7,042	6,037	7,417	6,827	
Prior-year settlement payment	(1,104)	-	199	(885)	
<u>Current calendar year assumptions</u>					
National tax base (\$ billions)	547.0	488.6	532.5	565.6	+/- 1% change in the 2023 national tax base equals +/- \$70 to \$80 million
B.C. installment share of national tax base	13.6%	13.4%	14.2%	12.9%	
Effective percentage tax rates (% general/small business)	12.0 / 2.0	12.0 / 2.0	12.0 / 2.0	12.0 / 2.0	
Share of the B.C. tax base subject to the small business rate	23.8%	23.4%	23.0%	23.0%	+/- 1 percentage point change in the 2023 small business share equals +/- \$70 to \$80 million
B.C. tax base growth (post federal measures)	-7.1%	-5.0%	-0.5%	1.7%	
B.C. net operating surplus growth	-14.5%	-11.8%	-9.1%	1.5%	
<u>2022 Tax-year</u>	<u>2022 Assumptions</u>				
B.C. tax base growth (post federal measures)	7.5%	1.9%			+/- 1% change in the 2022 B.C. tax base equals +/- \$60 to \$80 million one-time effect (prior-year adjustment) and could result in an additional installments payments of +/- \$80 to \$100 million in 2023/24
Share of the B.C. tax base subject to small business rate	24.0%	23.6%			
B.C. net operating surplus growth	13.5%	20.8%			
Gross 2022 tax	7,424	7,068			
Prior-year settlement payment	(1,104)	-			
Prior years losses/gains (included in above)	(200)	(100)			
Non-refundable B.C. tax credits	(210)	(210)			

* Reflects information as at August 18, 2023

Cash received from the federal government is used as the basis for estimating revenue. Due to lags in the federal collection and installment systems, changes to the B.C. net operating surplus and tax base forecasts affect revenue in the succeeding year. The 2023/24 installments from the federal government reflects two-third of payments related to the 2023 tax year (paid during Apr-July 2023 and adjusted in Sept and Dec) and one-third of 2024 payments. Installments for the 2023 (2024) tax year are based on B.C.'s share of the national tax base for the 2022 (2023) tax year and a forecast of the 2023 (2024) national tax base. B.C.'s share of the 2021 national tax base was 13.8%, based on tax assessments as of December 31, 2022. Cash adjustments for any under/over payments from the federal government in respect of 2022 will be received/paid on March 31, 2024.



Table A1 Material Assumptions – Revenue (continued)

Revenue Source and Assumptions (\$ millions unless otherwise specified)	Budget Estimate 2023/24	Updated Forecast 2023/24	Plan 2024/25	Plan 2025/26	2023/24 Sensitivities
Employer health tax	2,731	2,750	2,892	3,025	
Employee compensation growth	6.3%	5.9%	5.1%	4.6%	+/- 1 percentage point change in the 2023 employee compensation growth equals up to +/- \$25 million
Provincial sales tax	10,187	10,362	10,779	11,229	
Provincial sales tax base growth (fiscal year)	3.2%	5.0%	4.0%	4.1%	+/- 1 percentage point change in the 2023 consumer expenditure growth equals up to +/- \$20 to \$30 million
Calendar Year nominal expenditure					
Consumer expenditures on durable goods	-3.6%	2.0%	0.8%	2.2%	
Consumer expenditures on goods and services	6.9%	6.4%	4.7%	4.4%	
Business investment	1.4%	4.0%	4.8%	5.5%	+/- 1 percentage point change in the 2023 business investment growth equals up to +/- \$10 to \$20 million
Other	3.4%	2.6%	2.6%	5.7%	
Components of Provincial sales tax revenue					
Consolidated Revenue Fund	10,178	10,353	10,770	11,220	
BC Transportation Financing Authority	9	9	9	9	
Fuel and carbon taxes	3,883	3,742	3,953	4,287	
Calendar Year					
Real GDP	0.4%	1.2%	0.8%	2.4%	
Gasoline volumes	0.0%	-1.0%	-1.0%	-3.0%	
Diesel volumes	3.0%	-2.0%	2.0%	2.0%	
Natural gas volumes	1.0%	-1.0%	1.0%	0.0%	
Carbon tax rates (April 1)					
Carbon dioxide equivalent emissions (\$/tonne)	65	65	80	95	
Natural gas (cents/gigajoule)	322.79¢	322.79¢	397.28¢	471.77¢	
Gasoline (cents/litre)	14.31¢	14.31¢	17.61¢	20.91¢	
Light fuel oil (cents/litre)	16.85¢	16.85¢	20.74¢	24.62¢	
Components of revenue *					
Consolidated Revenue Fund	582	562	553	547	
BC Transit	18	18	18	17	
BC Transportation Financing Authority	472	462	461	454	
Fuel tax revenue	1,072	1,042	1,032	1,018	
Carbon tax revenue	2,811	2,700	2,921	3,269	
Property taxes	3,488	3,591	3,739	3,940	
Calendar Year					
Consumer Price Index	3.9%	3.9%	2.5%	2.2%	+/- 1 percentage point change in 2023 new construction & inflation growth equals up to +/- \$30 million in residential property taxation revenue
Housing starts (units)	39,033	46,727	42,140	40,024	
Home owner grants (fiscal year)	910	907	926	944	
Components of revenue					
Residential (net of home owner grants)	1,434	1,510	1,596	1,674	
Speculation and vacancy	90	90	90	90	
Non-residential	1,566	1,572	1,630	1,717	+/- 1% change in 2023 total business property assessment value equals up to +/- \$20 million in non-residential property taxation revenue
Rural area	147	149	153	157	
Police	37	39	40	41	
BC Assessment Authority	107	114	115	117	
BC Transit	107	117	115	144	
Other taxes	3,144	3,280	3,545	3,698	
Calendar Year					
Population	2.4%	3.2%	2.9%	1.7%	
Residential sales value	-19.8%	-11.6%	16.9%	7.4%	
Real GDP	0.4%	1.2%	0.8%	2.4%	
Nominal GDP	2.8%	2.9%	3.3%	4.3%	
Components of revenue					
Property transfer	1,799	1,950	2,205	2,348	+/- 1% change to 2023 residential sales value equals +/- \$20 million in property transfer revenue, depending on property values
Additional Property Transfer Tax (included in above)	30	40	45	60	
Tobacco	565	520	520	520	
Insurance premium	780	810	820	830	



Table A1 Material Assumptions – Revenue (continued)

Revenue Source and Assumptions (\$ millions unless otherwise specified)	Budget Estimate 2023/24	Updated Forecast 2023/24	Plan 2024/25	Plan 2025/26	2023/24 Sensitivities
Energy, sales of Crown land tenures, metals, minerals and other *	3,367	1,962	2,237	2,193	
Natural gas price					+/- \$0.25 change in the natural gas price equals +/- \$130 to \$150 million, including impacts on production volumes and royalty program credits, but excluding any changes from natural gas liquids revenue (e.g. butane, pentanes)
Plant inlet, \$C/gigajoule	3.04	1.29	2.03	2.33	
Sumas, \$US/MMBtu	3.99	2.42	3.06	3.36	
Natural gas production volumes					Sensitivities can also vary significantly at different price levels
Billions of cubic metres	72.2	70.2	73.2	73.4	+/- 1% change in natural gas volumes equals +/- \$20 million
Petajoules	2,995	2,927	3,051	3,059	+/- 1 cent change in the exchange rate equals +/- \$1 million in natural gas royalties
Annual per cent change	8.9%	7.2%	4.2%	0.3%	
Oil price (\$US/bbl at Cushing, OK)	80.79	74.56	73.17	74.72	+/- \$10/bbl change in petroleum price equals +/- \$5 million in petroleum royalties
Auctioned land base (000 hectares)	11	11	20	20	+/- 12% change in natural gas liquids (equivalent to +/- \$10/bbl oil price) prices equals +/- \$80 to \$100 million in natural gas liquids royalties
Average bid price/hectare (\$)	275	200	200	300	
Cash sales of Crown land tenures	3	2	4	6	
Metallurgical coal price (\$US/tonne, fob Australia)	252	248	222	210	
Copper price (\$US/lb)	3.56	3.82	3.96	4.09	
Annual electricity volumes set by treaty (million mega-watt hours)	3.9	3.9	3.8	3.8	+/- \$10/bbl change in petroleum price equals +/- \$5 million in petroleum royalties
Mid-Columbia electricity price (\$US/mega-watt hour)	107.84	92.90	90.06	92.10	+/- 10% change in the average Mid-Columbia electricity price equals +/- \$50 million
Exchange rate (US\$/C\$, calendar year)	74.7	74.7	75.8	77.6	
Components of revenue					
Bonus bid auctions:					+/- US\$20 change in the average metallurgical coal price equals +/- \$50 to \$80 million
Deferred revenue	61	60	29	28	
Current-year cash (one-tenth)	-	1	-	-	
Fees and rentals	50	38	36	36	
Total bonus bids, fees and rentals	111	99	65	64	
Natural gas royalties after deductions and allowances	2,016	837	1,179	1,182	
Petroleum royalties	37	34	31	29	
Columbia River Treaty electricity sales	522	478	452	456	
BC Energy Regulator fees and levies	66	73	75	74	
Coal, metals and other minerals revenue:					Based on a recommendation from the Auditor General to be consistent with generally accepted accounting principles, bonus bid revenue recognition reflects ten-year deferral of cash receipts from the sale of Crown land tenures
Coal tenures	8	8	8	8	
Net coal mineral tax	372	194	240	210	
Net metals and other minerals tax	47	51	54	58	
Recoveries relating to revenue sharing payments to First Nations	170	170	115	94	
Miscellaneous mining revenue	18	18	18	18	
Total coal, metals and other minerals revenue	615	441	435	388	
Gross royalties prior to deductions and allowances					
Gross natural gas revenue	1,993	531	953	1,077	
Gross natural gas liquids royalties revenue	783	685	609	727	
Royalty programs and infrastructure credits					
Deep drilling	(400)	(200)	(141)	(99)	
Road, pipeline, Clean Growth Infrastructure Royalty and other infrastructure programs	(95)	(65)	(118)	(171)	
Total	(495)	(265)	(259)	(270)	
Implicit average natural gas royalty rate	22.2%	22.5%	14.8%	11.8%	

Royalty program (marginal, low productivity and ultra marginal drilling) adjustments reflect reduced royalty rates. Natural gas royalties incorporate royalty programs and Treasury Board approved infrastructure credits.

* Reflects information as at August 4, 2023.



Table A1 Material Assumptions – Revenue (continued)

Revenue Source and Assumptions (\$ millions unless otherwise specified)	Budget Estimate 2023/24	Updated Forecast 2023/24	Plan 2024/25	Plan 2025/26	2023/24 Sensitivities
Forests *	846	886	847	952	
<u>Prices (calendar year average)</u>					
SPF 2x4 (\$US/thousand board feet)	400	400	450	500	+/- US\$50 change in SPF price equals +/- \$100 to \$150 million
<u>Crown harvest volumes (million cubic metres)</u>					
Interior	30.0	30.0	29.9	29.7	+/- 10% change in Interior harvest volumes equals
Coast	8.0	8.0	8.1	8.3	+/- \$50 to \$60 million
Total	38.0	38.0	38.0	38.0	+/- 10% change in Coastal harvest volumes equals +/- \$15 to \$25 million
B.C. Timber Sales (included in above)	6.3	6.3	6.4	7.4	
<u>Stumpage rates (\$Cdn/cubic metre)</u>					
Total stumpage rates	18.07	19.04	19.42	22.14	+/- 1 cent change in exchange rate equals +/- \$25 to \$35 million in stumpage revenue
<u>Components of revenue</u>					
Timber tenures (net of revenue sharing recoveries)	293	330	350	440	
Recoveries relating to revenue sharing payments to First Nations	138	138	138	105	
B.C. Timber Sales	274	274	268	316	The above sensitivities relate to stumpage revenue only.
Logging tax	100	100	50	50	
Other CRF revenue	30	33	30	30	
Recoveries	11	11	11	11	
* Reflects information as at August 3, 2023					
Other natural resource	551	536	509	549	
<u>Components of revenue</u>					
Water rental and licences*	478	463	436	476	+/- 5% change in water power production equals +/- \$20 to \$25 million
Recoveries	50	50	50	50	
Angling and hunting permits and licences	10	10	10	10	
Recoveries	13	13	13	13	
* Water rentals for power purposes are indexed to Consumer Price Index.					
Total natural resource recoveries relating to revenue sharing payments to First Nations	327	327	253	199	Revenue sharing from natural gas royalties, mineral tax and forest stumpage revenues.
Other revenue	10,520	10,667	10,829	11,052	
<u>Components of revenue</u>					
Fees and licences					
Motor vehicle licences and permits	618	614	621	630	
International student health fees	70	90	90	90	
Other Consolidated Revenue Fund	495	509	476	494	
Summary consolidation eliminations	(14)	(15)	(15)	(14)	
Ministry vote recoveries	270	270	105	105	
Taxpayer-supported Crown corporations	202	208	209	211	
Post-secondary education fees	2,770	2,829	2,956	3,061	
Other healthcare-related fees	496	510	510	516	
School Districts	275	248	266	281	
Investment earnings					
Consolidated Revenue Fund	130	235	130	130	
Fiscal agency loans & sinking funds earnings	1,088	1,014	1,223	1,202	
Summary consolidation eliminations	(198)	(204)	(198)	(204)	
Taxpayer-supported Crown corporations	36	46	41	41	
SUCH sector agencies	293	318	326	342	
Sales of goods and services					
SUCH sector agencies	986	988	1,039	1,092	
BC Infrastructure Benefits Inc.	246	279	311	346	
Other taxpayer-supported Crown corporations	254	99	107	112	
Miscellaneous	2,503	2,629	2,632	2,617	



Table A1 Material Assumptions – Revenue (continued)

Revenue Source and Assumptions (\$ millions unless otherwise specified)	Budget Estimate 2023/24	Updated Forecast 2023/24	Plan 2024/25	Plan 2025/26	2023/24 Sensitivities
Health and social transfers	8,970	9,252	9,385	9,770	
<u>National Cash Transfers</u>					
Canada Health Transfer (CHT)	49,421	49,421	52,083	54,687	
Annual growth	9.3%	9.3%	5.4%	5.0%	
Canada Social Transfer (CST)	16,416	16,416	16,909	17,416	
B.C.'s share of national population (June 1)	13.62%	13.64%	13.60%	13.55%	+/- 0.1 percentage point change in B.C.'s population share equals +/- \$65 million
<u>B.C. health and social transfers revenue</u>					
CHT	6,733	6,740	7,085	7,410	
CST	2,237	2,239	2,300	2,360	
CHT top up - strengthen public health care	-	273	-	-	
Other federal contributions	4,623	4,240	4,271	3,937	
<u>Components of revenue</u>					
Disaster Financial Assistance Arrangements	1,268	848	1,102	773	
B.C.'s share of the federal cannabis excise tax	70	85	85	85	
Other Consolidated Revenue Fund	104	105	105	105	
Vote Recoveries:					
Labour Market Development Agreement	296	296	296	296	
Labour Market and Skills Training Program	98	98	98	98	
Home Care	82	82	81	81	
Mental Health	82	82	82	82	
Child Care	822	822	822	822	
Child Safety, Family Support, Children in Care and with special needs	83	83	83	83	
Public Transit	297	297	92	135	
Local government services and transfers	188	188	181	120	
Other recoveries	154	154	155	155	
Taxpayer-supported Crown corporations	324	347	322	329	
Post-secondary institutions	634	623	636	641	
Other SUCH sector agencies	121	130	131	132	
Service delivery agency direct revenue	8,981	9,118	9,345	9,614	
School districts	681	661	677	693	
Post-secondary institutions	4,962	4,992	5,196	5,385	
Health authorities and hospital societies	1,165	1,216	1,199	1,208	
BC Transportation Financing Authority	579	567	571	578	
Other service delivery agencies	1,594	1,682	1,702	1,750	
Commercial Crown corporation net income	3,489	3,492	3,985	4,020	
BC Hydro	712	712	712	712	
Reservoir water inflows	100%	85%	100%	100%	Sensitivities impacts shown below are before regulatory account transfers +/-1% in hydro generation equals +/- \$60 million
Mean gas price	5.08	4.46	4.21	4.35	+/-1% equals +/- \$0 million
(Sumas, \$US/MMbtu – BC Hydro forecast based on NYMEX forward selling prices)					
Electricity prices (Mid-C, \$US/MWh)	83.41	89.56	86.47	85.99	+/-1% change in electricity/gas trade income equals +/- \$3.5 million
ICBC	-	-	450	450	
Vehicle growth	1.9%	1.9%	1.9%	1.9%	+/-1% equals +/- \$56 million
Current claims cost percentage change	11.8%	11.8%	9.9%	6.7%	+/-1% equals +/- \$41 million
Unpaid claims balance (\$ billions)	10.4	10.4	9.0	8.3	+/-1% equals +/- \$104 to \$125 million
Investment return	0.7%	0.7%	3.6%	3.7%	+/-1% return equals +/- \$180 to \$192 million
Loss ratio	84.3%	84.3%	85.0%	84.7%	

Table A2 Natural Gas Price Forecasts – 2023/24 to 2025/26

Private sector forecasts (calendar year)	2023	2024	2025	Adjusted to fiscal years and \$/gigajoule at plant inlet		
				2023/24	2024/25	2025/26
GLJ Henry Hub US\$/MMBtu (Jul 1, 2023)	2.70	3.80	4.16	1.54	2.34	2.61
Sproule Henry Hub US\$/MMBtu (Jun 30, 2023)	2.84	4.00	4.25	1.79	2.55	2.72
McDaniel Henry Hub US\$/MMBtu (Jul 1, 2023)	2.58	3.32	3.90	1.29	1.81	2.29
Deloitte Henry Hub US\$/Mcf (Jun 30, 2023)	2.55	3.60	4.20	1.29	2.01	2.48
GLJ Alberta AECO-C Spot CDN\$/MMBtu (Jul 1, 2023)	2.64	3.60	4.35	1.59	2.42	2.94
Sproule Alberta AECO-C Spot CDN\$/MMBtu (Jun 30, 2023)	2.85	3.83	4.13	1.73	2.52	2.74
McDaniel AECO-C Spot C\$/MMBtu (Jul 1, 2023)	3.05	3.32	3.90	1.54	2.10	2.52
Deloitte AECO-C Spot C\$/Mcf (Jun 30, 2023)	2.60	3.30	3.95	1.28	1.99	2.43
GLJ Sumas Spot US\$/MMBtu (Jul 1, 2023)	3.80	3.70	4.06	1.64	2.94	3.22
Sproule Sumas Spot CDN\$/MMBtu (Jun 30, 2023)	5.85	5.79	6.12	2.70	3.81	4.07
GLJ BC Spot Plant Gate CDN\$/MMBtu (Jul 1, 2023)	2.11	3.18	3.98	1.47	2.41	2.96
Sproule BC Station 2 CDN\$/MMBtu (Jun 30, 2023)	2.53	3.73	4.02	1.73	2.55	2.77
McDaniel BC Avg Plant Gate C\$/MMBtu (Jul 1, 2023)	2.35	2.60	3.17	1.30	1.80	2.21
Deloitte BC Station 2 C\$/MMBtu (Jun 30, 2023)	3.10	3.75	3.75	1.42	2.19	2.62
GLJ Midwest Chicago US\$/MMBtu (Jul 1, 2023)	3.65	4.01	4.10	1.96	2.94	3.22
Sproule Alliance Plant Gate CDN\$/MMBtu (Jun 30, 2023)	3.59	5.01	5.33	2.61	3.64	3.88
EIA Henry Hub US\$/MMBtu (Jul 2023)	2.62	3.29		1.22		
TD Economics Henry Hub Futures US\$/MMBtu (Jun 2023)	2.66	3.38		1.21		
Scotiabank Group Henry Hub US\$/MMBtu (Jun 2023)	2.79	3.75		1.43		
BMO Henry Hub US\$/MMBtu (Jun 2023)	2.75	3.75		1.40		
InSite Petroleum Consultants Ltd BC Spot C\$/Mcf (Jun 2023)	2.67	3.60	4.15	1.64	2.36	2.76
NYMEX Forward Market converted to Plant Inlet CDN\$/GJ (Jul 11, 2023)				1.49	2.04	2.37
Average all minus high/low				1.57	2.45	2.81
Average one forecast per consultant minus high/low				1.41	2.32	2.72
Natural gas royalty price forecast				1.29	2.03	2.33

GLJ: Gilbert Laustsen Jung Petroleum Consultants Ltd US EIA: US Energy Information Administration AECO: Alberta Energy Company
 Deloitte/AJM: Deloitte L.L.P acquired Ashton Jenkins Mann Petroleum Consultants McDaniel: McDaniel & Associates Consultants Ltd

Natural Gas Prices

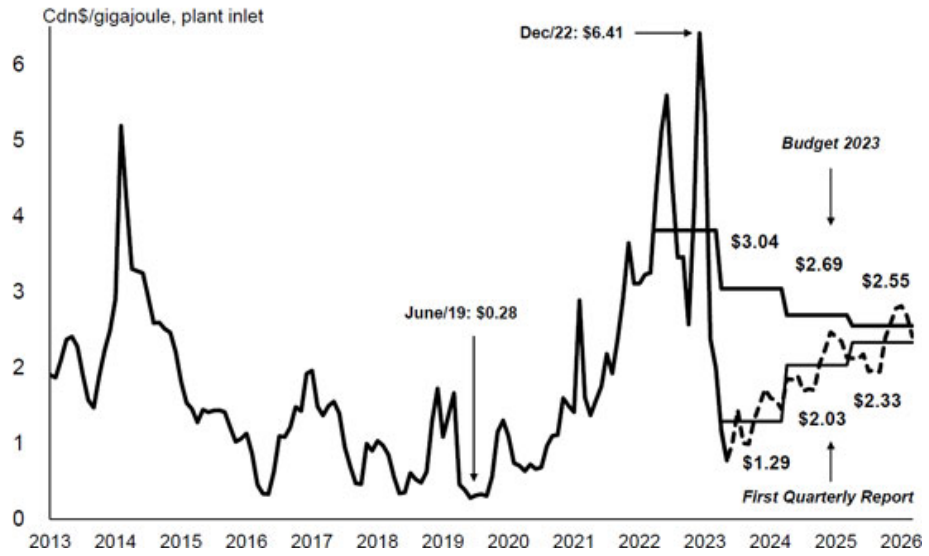


Table A3 Material Assumptions – Expense

Ministry Programs and Assumptions (\$ millions unless otherwise specified)	Budget Estimate 2023/24	Updated Forecast 2023/24	Plan 2024/25	Plan 2025/26	2023/24 Sensitivities
Attorney General	773	776	781	778	
New cases filed/processed (# for all courts)	242,000	235,000	242,000	242,000	The number of criminal cases proceeded on by the provincial and federal Crown (including appeals to higher courts in BC), the number of civil and family litigation cases, the number of violation tickets disputed, and the number of municipal bylaw tickets disputed which would go to court for resolution.
<i>Crown Proceeding Act (CPA)</i>	25	28	25	25	Number of litigation cases resolved by court decisions or negotiated settlement.
Children and Family Development	1,912	1,912	1,930	1,926	
Average children-in-care caseload (#)	4,852	4,822	4,727	4,663	The average number of children-in-care is decreasing as a result of ministry efforts to keep children in family settings where safe and feasible. The average cost per child in care is projected to increase based on the higher cost of contracted residential services and an increasing acuity of need for children in care. A 1% increase in the cost per case or a 1% increase in the average caseload will affect expenditures by \$3.3 million (excluding Indigenous CFS Agencies).
Average annual residential cost per child in care (\$)	105,337	135,718	151,984	169,492	
Education and Child Care	8,874	8,874	9,133	9,172	
Public School Enrolment (# of FTEs)	591,272	591,272	600,178	607,449	Updated forecast enrolment figures are based on submissions from school districts of their actual enrolment as at September 30, 2022 for the 2022/23 school year, including February and May enrolment counts. Projections are based on the Ministry of Education and Child Care's enrolment forecasting model.
School age (K–12)	568,521	568,521	577,311	584,487	
Continuing Education	905	905	905	905	
Distributed Learning (online)	13,229	13,229	13,346	13,441	
Summer	6,288	6,288	6,288	6,288	
Adults	2,328	2,328	2,328	2,328	
Emergency Management and Climate Readiness	101	101	111	120	
<i>Emergency Program Act (EPA)</i>	36	36	250	91	Emergency disaster relief is unpredictable by nature. There are a number of factors that could impact the timing of delivering recovery projects resulting from the Major Events.
Forests	925	1,687	905	913	
BC Timber Sales	237	237	235	243	Targets can be impacted by changes to actual inventory costs incurred. There is a lag of approximately 1.5 years between when inventory costs are incurred and when they are expensed. Volume harvested can also impact targets. For example, if volume harvested is less than projected in any year, then capitalized expenses will also be reduced in that year. Costs are driven by length of season and severity of weather conditions, severity of fires, proportion of interface fires, size of fires and damages caused. Costs have ranged from a low of \$47 million in 2006 to a high of \$809 million in 2021/22 (Fire season 2021).
Fire Management	204	966	205	205	



Table A3 Material Assumptions – Expense (continued)

Ministry Programs and Assumptions (\$ millions unless otherwise specified)	Budget Estimate 2023/24	Updated Forecast 2023/24	Plan 2024/25	Plan 2025/26	2023/24 Sensitivities
Health	28,674	28,674	29,887	30,669	
Pharmacare	1,578	1,578	1,610	1,597	A 1% change in PharmaCare utilization or prices affects costs by approximately \$12 million.
Medical Services Plan (MSP)	7,039	7,039	7,340	7,281	A 1% increase in volume of services provided by fee-for-service physicians affects costs by approximately \$35 million.
Regional Services	19,671	19,671	20,534	21,403	A 1% increase in volume of services provided by Health Authorities is estimated to be \$186 million.
Post-Secondary Education and Future Skills	2,770	2,770	2,815	2,837	
Student spaces in public institutions	206,085	206,085	205,886	206,048	Student enrolments may fluctuate due to a number of factors including economic changes and labour market needs. Current year forecast to be updated at Q3 to align with PSI reporting, consistent with past practice.
Public Safety and Solicitor General	1,028	1,028	1,034	1,033	
Policing, Victim Services and Corrections	909	909	913	913	Policing, Victim Services and Corrections costs are sensitive to the volume and severity of criminal activity, the number of inmate beds occupied and the number of offenders under community supervision.
Social Development and Poverty Reduction	4,745	4,745	4,861	4,927	
Temporary Assistance annual average caseload (#)	47,500	55,822	45,200	44,400	The expected to work caseload is sensitive to fluctuations in economic and employment trends. Costs are driven by changes to cost per case and caseload. Cost per case fluctuations result from changes in the needed supports required by clients, as well as caseload composition.
Disability Assistance annual average caseload (#)	121,600	122,359	125,000	126,700	The caseload for persons with disabilities is sensitive to the aging of the population and longer life expectancy for individuals with disabilities. Cost per case fluctuations are driven primarily by earnings exemptions which is dependent on the level of income earned by clients.
Adult Community Living: Developmental Disabilities Programs					
Average caseload (#)	24,330	24,190	25,070	25,520	The adult community living caseload is sensitive to an aging population and to the level of service required. Cost per case fluctuations are driven by the proportion of clients receiving certain types of services at differing costs. For example, residential care services are significantly more costly than day programs.
Average cost per client (\$)	53,600	58,700	57,900	58,400	
Personal Supports Initiative (PSI)					
Average caseload (#)	3,240	3,210	3,510	3,650	
Average cost per client (\$)	15,200	16,600	15,800	15,800	



Table A3 Material Assumptions – Expense (continued)

Ministry Programs and Assumptions (\$ millions unless otherwise specified)	Budget Estimate 2023/24	Updated Forecast 2023/24	Plan 2024/25	Plan 2025/26	2023/24 Sensitivities
Tax Transfers	3,159	3,078	3,424	3,826	
Individuals	1,815.0	1,805.0	2,133.0	2,449.0	
Climate Action Tax Credit	757.0	747.0	1,051.0	1,359.0	These tax transfers are now expensed as required under generally accepted accounting principles.
BC Family Benefit	463.0	463.0	482.8	485.0	
Renter's Tax Credit	309.0	309.0	313.0	319.0	
Sales Tax	50.0	50.0	50.0	50.0	
Small Business Venture Capital	40.0	40.0	40.0	40.0	
BC Senior's Home Renovation	3.0	3.0	3.0	3.0	
Other tax transfers to individuals	193.0	193.0	193.2	193.0	
Corporations	1,344.0	1,273.0	1,291.0	1,377.0	
Film and Television	152.5	136.3	138.8	152.5	
Production Services	890.3	835.5	845.8	912.8	
Scientific Research & Experimental Development	96.2	96.3	101.3	106.3	
Interactive Digital Media	110.0	110.0	110.0	110.0	
Mining Exploration	30.0	30.0	30.0	30.0	
Other tax transfers to corporations	65.0	64.9	65.1	65.4	
Prior-year adjustment (included above)*					
Individuals		-			
Corporations		(8.3)			
2022 Tax-year	2022 Assumptions				
Tax Transfers	2,206.0	2,196.0			
Individuals	1,011.0	1,001.0			
Corporations	1,195.0	1,195.0			
Film and Television	140.0	140.0			
Production Services	780.0	780.0			
Scientific Research & Experimental Development	90.0	90.0			
Interactive Digital Media	110.0	110.0			
Other tax transfers to corporations	75.0	75.0			
*2023/24 tax transfer forecast incorporates adjustments relating to prior years.					
Management of Public Funds and Debt	1,309	1,400	1,679	2,008	
Interest rates for new provincial borrowing:					Full year impact on MoPD on interest costs of a 1% change in interest rates equals \$7 million; \$100 million increase in debt level equals \$4.4 million.
Short-term	4.04%	4.97%	4.11%	2.99%	
Long-term	4.10%	4.18%	4.12%	4.12%	
CDN/US exchange rate (cents)	132.6	133.4	130.8	128.8	
Service delivery agency net spending	9,176	9,322	9,961	10,365	
School districts	557	651	662	672	Agency expenses, net of Provincial funding. These are mainly funded through revenue from other sources.
Post-secondary institutions	4,795	4,809	5,009	5,176	
Health authorities and hospital societies	1,103	1,245	1,134	1,144	
BC Transportation Financing Authority	1,887	1,894	2,311	2,402	
BC Infrastructure Benefits Inc.	246	279	311	346	
Other service delivery agencies	588	444	534	625	

Table A4 Operating Statement – 2016/17 to 2025/26 ¹

(\$ millions)	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Updated Forecast 2023/24	Plan 2024/25	Plan 2025/26	Average annual change (per cent)
Revenue	51,449	52,020	57,128	58,660	62,156	72,392	81,536	76,228	80,736	81,534	5.2
Expense	(48,721)	(51,744)	(55,634)	(59,022)	(67,663)	(71,127)	(80,832)	(82,202)	(83,383)	(85,171)	6.4
Surplus (deficit) before forecast allowance	2,728	276	1,494	(362)	(5,507)	1,265	704	(5,974)	(2,647)	(3,637)	
Forecast allowance	-	-	-	-	-	-	-	(700)	(500)	(500)	
Surplus (deficit)	2,728	276	1,494	(362)	(5,507)	1,265	704	(6,674)	(3,147)	(4,137)	
Per cent of nominal GDP: ²											
Surplus (deficit)	1.0	0.1	0.5	-0.1	-1.8	0.4	0.2	-1.7	-0.8	-1.0	
Per cent of revenue:											
Surplus (deficit)	5.3	0.5	2.6	-0.6	-8.9	1.7	0.9	-8.8	-3.9	-5.1	
Per capita (\$): ³											
Surplus (deficit)	561	56	298	(71)	(1,068)	243	132	(1,216)	(557)	(720)	

¹ Figures have been restated to reflect government current accounting policies.

² Surplus (deficit) as a per cent of nominal GDP is calculated using nominal GDP for the calendar year ending in the fiscal year (e.g. 2023/24 amounts divided by nominal GDP for the 2023 calendar year).

³ Per capita revenue and expense is calculated using July 1 population (e.g. 2023/24 amounts divided by population on July 1, 2023).

Table A5 Revenue by Source – 2016/17 to 2025/26

(\$ millions)	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Updated Forecast 2023/24	Plan 2024/25	Plan 2025/26	Average annual change (per cent)
Taxation revenue:											
Personal income	9,704	8,923	11,364	10,657	11,118	13,704	17,268	15,431	16,149	16,940	6.4
Corporate income	3,003	4,165	5,180	5,011	4,805	5,053	9,156	6,037	7,616	5,942	7.9
Employer health	-	-	464	1,897	2,156	2,443	2,720	2,750	2,892	3,025	n/a
Sales	6,606	7,131	7,369	7,374	7,694	8,731	9,818	10,362	10,779	11,229	6.1
Fuel	969	1,010	1,015	1,008	936	1,022	1,021	1,042	1,032	1,018	0.5
Carbon	1,220	1,255	1,465	1,682	1,683	2,011	2,161	2,700	2,921	3,269	11.6
Tobacco	737	727	781	729	711	708	531	520	520	520	-3.8
Property	2,279	2,367	2,617	2,608	2,313	3,012	3,253	3,591	3,739	3,940	6.3
Property transfer	2,026	2,141	1,826	1,609	2,098	3,327	2,293	1,950	2,205	2,348	1.7
Insurance premium	549	602	633	691	652	706	804	810	820	830	4.7
	<u>27,093</u>	<u>28,321</u>	<u>32,714</u>	<u>33,266</u>	<u>34,166</u>	<u>40,717</u>	<u>49,025</u>	<u>45,193</u>	<u>48,673</u>	<u>49,061</u>	6.8
Natural resource revenue:											
Natural gas royalties	152	161	199	118	196	920	2,255	837	1,179	1,182	25.6
Bonus bids, rents on drilling rights and leases	633	276	279	225	162	133	122	99	65	64	-22.5
Columbia River Treaty	111	111	202	119	117	231	437	478	452	456	17.0
Other energy and minerals	403	619	557	386	191	795	979	548	541	491	2.2
Forests	913	1,065	1,406	988	1,304	1,893	1,887	886	847	952	0.5
Other resources	499	463	465	432	433	499	518	536	509	549	1.1
	<u>2,711</u>	<u>2,695</u>	<u>3,108</u>	<u>2,268</u>	<u>2,403</u>	<u>4,471</u>	<u>6,198</u>	<u>3,384</u>	<u>3,593</u>	<u>3,694</u>	3.5
Other revenue:											
Medical Services Plan premiums	2,558	2,266	1,360	1,063	(4)	1	(1)	-	-	-	n/a
Post-secondary education fees	1,828	2,034	2,275	2,451	2,418	2,536	2,651	2,829	2,956	3,061	5.9
Other health-care related fees	404	429	441	475	372	417	519	510	510	516	2.8
Motor vehicle licences and permits	529	557	568	579	571	610	613	614	621	630	2.0
Other fees and licences	894	963	949	1,004	972	1,020	1,146	1,310	1,131	1,167	3.0
Investment earnings	1,232	1,101	1,243	1,263	1,264	1,306	1,316	1,409	1,522	1,511	2.3
Sales of goods and services	1,131	1,133	1,164	1,162	741	1,059	1,396	1,366	1,457	1,550	3.6
Miscellaneous	2,377	2,410	2,249	2,676	2,395	2,851	3,049	2,629	2,632	2,617	1.1
	<u>10,953</u>	<u>10,893</u>	<u>10,249</u>	<u>10,673</u>	<u>8,729</u>	<u>9,800</u>	<u>10,689</u>	<u>10,667</u>	<u>10,829</u>	<u>11,052</u>	0.1
Contributions from the federal government:											
Canada Health Transfer	4,744	4,994	5,182	5,523	5,701	6,431	6,432	7,013	7,085	7,410	5.1
Canada Social Transfer	1,751	1,854	1,908	1,971	2,042	2,110	2,174	2,239	2,300	2,360	3.4
Other cost shared agreements	1,672	2,207	1,962	2,041	5,151	3,439	3,920	4,240	4,271	3,937	10.0
	<u>8,167</u>	<u>9,055</u>	<u>9,052</u>	<u>9,535</u>	<u>12,894</u>	<u>11,980</u>	<u>12,526</u>	<u>13,492</u>	<u>13,656</u>	<u>13,707</u>	5.9
Commercial Crown corporation net income:											
BC Hydro ¹	684	683	(428)	705	688	668	360	712	712	712	0.4
Liquor Distribution Branch	1,083	1,119	1,104	1,107	1,161	1,189	1,199	1,150	1,170	1,194	1.1
BC Lottery Corporation ²	1,329	1,391	1,405	1,336	420	1,211	1,584	1,456	1,478	1,484	1.2
ICBC	(612)	(1,327)	(1,153)	(376)	1,528	2,216	(197)	-	450	450	-196.6
Other	41	140	127	146	167	140	152	174	175	180	17.9
Accounting adjustment ¹	-	(950)	950	-	-	-	-	-	-	-	n/a
	<u>2,525</u>	<u>1,056</u>	<u>2,005</u>	<u>2,918</u>	<u>3,964</u>	<u>5,424</u>	<u>3,098</u>	<u>3,492</u>	<u>3,985</u>	<u>4,020</u>	5.3
Total revenue	<u>51,449</u>	<u>52,020</u>	<u>57,128</u>	<u>58,660</u>	<u>62,156</u>	<u>72,392</u>	<u>81,536</u>	<u>76,228</u>	<u>80,736</u>	<u>81,534</u>	5.2

¹ BC Hydro's loss for 2018/19 includes a write-off of a regulatory account. At the summary level, the Province recognized a \$950 million adjustment in fiscal 2017/18 with respect to BC Hydro's deferred regulatory accounts.

² Net of federal government payments and beginning in 2021/22, is also net of payments to the BC First Nations Gaming Revenue Sharing Limited Partnership in accordance with section 14.3 of the *Gaming Control Act* (B.C.).

Table A6 Revenue by Source Supplementary Information – 2016/17 to 2025/26 ¹

	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Updated Forecast 2023/24	Plan 2024/25	Plan 2025/26	Average annual change (per cent)
Per cent of nominal GDP: ²											
Taxation and Medical Services Plan premiums	11.2	10.8	11.5	11.1	11.1	11.6	12.5	11.2	11.7	11.3	0.1
Taxation	10.3	10.0	11.0	10.8	11.1	11.6	12.5	11.2	11.7	11.3	1.1
Medical Services Plan premiums	1.0	0.8	0.5	0.3	-	-	-	-	-	-	n/a
Natural resources	1.0	1.0	1.0	0.7	0.8	1.3	1.6	0.8	0.9	0.9	-2.1
Other	4.2	3.9	3.4	3.5	2.8	2.8	2.7	2.6	2.6	2.5	-5.3
Other excluding											
Medical Services Plan premiums	3.2	3.1	3.0	3.1	2.8	2.8	2.7	2.6	2.6	2.5	-2.4
Contributions from the federal government	3.1	3.2	3.0	3.1	4.2	3.4	3.2	3.3	3.3	3.2	0.2
Commercial Crown corporation net income	1.0	0.4	0.7	0.9	1.3	1.5	0.8	0.9	1.0	0.9	-0.4
Total revenue	19.5	18.4	19.2	19.0	20.3	20.6	20.8	18.9	19.4	18.8	-0.4
Growth rates (per cent):											
Taxation	11.4	4.5	15.5	1.7	2.7	19.2	20.4	-7.8	7.7	0.8	n/a
Natural resources	5.4	-0.6	15.3	-27.0	6.0	86.1	38.6	-45.4	6.2	2.8	n/a
Other	5.9	-0.5	-5.9	4.1	-18.2	12.3	9.1	-0.2	1.5	2.1	n/a
Other excluding											
Medical Services Plan premiums	6.1	2.8	3.0	8.1	-9.1	12.2	9.1	-0.2	1.5	2.1	n/a
Contributions from the federal government	6.8	10.9	0.0	5.3	35.2	-7.1	4.6	7.7	1.2	0.4	n/a
Commercial Crown corporation net income	-6.8	-58.2	89.9	45.5	35.8	36.8	-42.9	12.7	14.1	0.9	n/a
Total revenue	8.1	1.1	9.8	2.7	6.0	16.5	12.6	-6.5	5.9	1.0	n/a
Per capita (\$): ³											
Taxation	5,576	5,745	6,529	6,529	6,627	7,827	9,216	8,231	8,618	8,540	4.9
Natural resources	558	547	620	445	466	859	1,165	616	636	643	1.6
Other	2,254	2,210	2,046	2,095	1,693	1,884	2,009	1,943	1,917	1,924	-1.7
Other excluding											
Medical Services Plan premiums	1,728	1,750	1,774	1,886	1,694	1,884	2,010	1,943	1,917	1,924	1.2
Contributions from the federal government	1,681	1,837	1,807	1,872	2,501	2,303	2,355	2,457	2,418	2,386	4.0
Commercial Crown corporation net income	520	214	400	573	769	1,043	582	636	706	700	3.4
Total revenue	10,588	10,553	11,402	11,514	12,056	13,915	15,328	13,884	14,295	14,192	3.3
Real Per Capita Revenue (2022 \$) ⁴											
2022 Revenue	11,773	12,284	12,920	12,749	13,249	14,876	15,328	13,361	13,420	13,040	1.1
Growth rate (per cent)	4.3	4.3	5.2	-1.3	3.9	12.3	3.0	-12.8	0.4	-2.8	1.7

¹ Numbers may not add due to rounding.

² Revenue as a per cent of GDP is calculated using nominal GDP for the calendar year ending in the fiscal year (e.g. 2023/24 revenue divided by nominal GDP for the 2023 calendar year).

³ Per capita revenue is calculated using July 1 population (e.g. 2023/24 revenue divided by population on July 1, 2023).

⁴ Revenue is converted to real (inflation-adjusted) terms using the consumer price index (CPI) for the corresponding calendar year (e.g. 2023 CPI for 2023/24 revenue).

Table A7 Expense by Function – 2016/17 to 2025/26 ^{1,2}

(\$ millions)	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Updated Forecast 2023/24	Plan 2024/25	Plan 2025/26	Average annual change (per cent)
Function:											
Health:											
Medical Services Plan	4,573	4,623	4,861	5,013	5,145	5,776	6,006	7,081	7,382	7,323	5.4
Pharmacare	1,284	1,400	1,494	1,517	1,501	1,579	1,711	1,728	1,760	1,747	3.5
Regional services	13,086	14,101	15,004	16,054	18,290	19,574	21,715	21,040	21,768	22,668	6.3
Other healthcare expenses	753	810	800	872	677	662	890	1,107	1,136	1,121	4.5
Total health	19,696	20,934	22,159	23,456	25,613	27,591	30,322	30,956	32,046	32,859	5.9
Education:											
Elementary and secondary	6,423	6,919	7,254	7,584	7,444	8,085	8,585	9,037	9,348	9,247	4.1
Post-secondary	5,677	6,002	6,398	6,846	6,872	7,357	7,517	8,361	8,627	8,999	5.3
Other education expenses	374	176	442	310	632	359	889	464	459	462	2.4
Total education	12,474	13,097	14,094	14,740	14,948	15,801	16,991	17,862	18,435	18,709	4.6
Social services:											
Social assistance	1,692	1,988	2,202	2,342	3,141	2,910	3,157	3,160	3,234	3,261	7.6
Child welfare	1,358	1,507	1,652	1,940	2,226	2,254	3,168	3,638	3,709	3,707	11.8
Low income tax credit transfers	244	239	414	435	1,131	754	1,746	807	1,082	1,373	21.2
Community living and other services	949	1,003	1,075	1,170	1,291	1,350	1,581	1,543	1,601	1,661	6.4
Total social services	4,243	4,737	5,343	5,887	7,789	7,268	9,652	9,148	9,626	10,002	10.0
Protection of persons and property	1,655	1,930	2,004	2,126	2,258	2,937	3,483	2,319	2,352	2,364	4.0
Transportation	1,784	1,931	2,021	2,126	3,362	4,453	3,319	2,634	2,551	2,592	4.2
Natural resources & economic development	2,465	3,374	3,825	3,778	4,191	5,213	6,284	5,161	4,187	4,244	6.2
Other	2,281	1,574	1,831	2,525	2,861	3,082	5,736	3,437	3,530	3,394	4.5
Contingencies - general programs and CleanBC	-	-	-	-	-	-	-	2,300	2,200	2,000	n/a
Contingencies - Shared Recovery Mandate	-	-	-	-	-	-	-	2,200	2,600	2,700	n/a
Pandemic Recovery Contingencies	-	-	-	-	-	-	-	1,000	-	-	n/a
General government	1,536	1,544	1,673	1,657	3,919	2,040	2,326	1,931	1,923	1,936	2.6
Debt servicing	2,587	2,623	2,684	2,727	2,722	2,742	2,719	3,254	3,933	4,371	6.0
Total expense	48,721	51,744	55,634	59,022	67,663	71,127	80,832	82,202	83,383	85,171	
Per cent of operating expense:											
Health	40.4	40.5	39.8	39.7	37.9	38.8	37.5	37.7	38.4	38.6	-0.5
Education	25.6	25.3	25.3	25.0	22.1	22.2	21.0	21.7	22.1	22.0	-1.7
Social services	8.7	9.2	9.6	10.0	11.5	10.2	11.9	11.1	11.5	11.7	3.4
Protection of persons and property	3.4	3.7	3.6	3.6	3.3	4.1	4.3	2.8	2.8	2.8	-2.2
Transportation	3.7	3.7	3.6	3.6	5.0	6.3	4.1	3.2	3.1	3.0	-2.0
Natural resources & economic development	5.1	6.5	6.9	6.4	6.2	7.3	7.8	6.3	5.0	5.0	-0.2
Other	4.7	3.0	3.3	4.3	4.2	4.3	7.1	4.2	4.2	4.0	-1.8
Contingencies - general programs and CleanBC	-	-	-	-	-	-	-	2.8	2.6	2.3	n/a
Contingencies - Shared Recovery Mandate	-	-	-	-	-	-	-	2.7	3.1	3.2	n/a
Pandemic Recovery Contingencies	-	-	-	-	-	-	-	1.2	-	-	n/a
General government	3.2	3.0	3.0	2.8	5.8	2.9	2.9	2.3	2.3	2.3	-3.6
Debt servicing	5.3	5.1	4.8	4.6	4.0	3.9	3.4	4.0	4.7	5.1	-0.4
Operating expense	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	

1 Figures reflect government accounting policies used in the 2022/23 Public Accounts audited financial statements.

2 Numbers may not add due to rounding.

Table A8 Expense by Function Supplementary Information – 2016/17 to 2025/26 ¹

	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Updated Forecast 2023/24	Plan 2024/25	Plan 2025/26	Average annual change (per cent)
Per cent of nominal GDP: ²											
Health	7.5	7.4	7.5	7.6	8.3	7.9	7.7	7.7	7.7	7.6	0.2
Education	4.7	4.6	4.7	4.8	4.9	4.5	4.3	4.4	4.4	4.3	-1.0
Social services	1.6	1.7	1.8	1.9	2.5	2.1	2.5	2.3	2.3	2.3	4.1
Protection of persons and property	0.6	0.7	0.7	0.7	0.7	0.8	0.9	0.6	0.6	0.5	-1.5
Transportation	0.7	0.7	0.7	0.7	1.1	1.3	0.8	0.7	0.6	0.6	-1.4
Natural resources & economic development	0.9	1.2	1.3	1.2	1.4	1.5	1.6	1.3	1.0	1.0	0.5
Other	0.9	0.6	0.6	0.8	0.9	0.9	1.5	0.9	0.8	0.8	-1.1
Contingencies - general programs and CleanBC	-	-	-	-	-	-	-	0.6	0.5	0.5	n/a
Contingencies - <i>Shared Recovery</i> <i>Mandate</i>	-	-	-	-	-	-	-	0.6	0.7	0.8	n/a
Pandemic Recovery Contingencies	-	-	-	-	-	-	-	0.3	-	-	n/a
General government	0.6	0.5	0.6	0.5	1.3	0.6	0.6	0.5	0.5	0.4	-2.9
Debt servicing	1.0	0.9	0.9	0.9	0.9	0.8	0.7	0.8	0.9	1.0	0.3
Operating expense	18.5	18.3	18.7	19.1	22.0	20.3	20.6	20.5	20.1	19.8	0.8
Growth rates (per cent):											
Health	2.6	6.3	5.9	5.9	9.2	7.7	9.9	2.1	3.5	2.5	n/a
Education	2.1	5.0	7.6	4.6	1.4	5.7	7.5	5.1	3.2	1.5	n/a
Social services	3.3	11.6	12.8	10.2	32.3	-6.7	32.8	-5.2	5.2	3.9	n/a
Protection of persons and property	5.3	16.6	3.8	6.1	6.2	30.1	18.6	-33.4	1.4	0.5	n/a
Transportation	6.8	8.2	4.7	5.2	58.1	32.5	-25.5	-20.6	-3.2	1.6	n/a
Natural resources & economic development	-0.5	36.9	13.4	-1.2	10.9	24.4	20.5	-17.9	-18.9	1.4	n/a
Other	80.5	-31.0	16.3	37.9	13.3	7.7	86.1	-40.1	2.7	-3.9	n/a
Contingencies - general programs and CleanBC	-	-	-	-	-	-	-	-	-4.3	-9.1	n/a
Contingencies - <i>Shared Recovery</i> <i>Mandate</i>	-	-	-	-	-	-	-	-	18.2	3.8	n/a
Pandemic Recovery Contingencies	-	-	-	-	-	-	-	-	-100.0	-	n/a
General government	2.3	0.5	8.4	-1.0	136.5	-47.9	14.0	-17.0	-0.4	0.7	n/a
Debt servicing	-8.5	1.4	2.3	1.6	-0.2	0.7	-0.8	19.7	20.9	11.1	n/a
Operating expense	4.0	6.2	7.5	6.1	14.6	5.1	13.6	1.7	1.4	2.1	n/a
Per capita (\$): ³											
Health	4,053	4,247	4,423	4,604	4,968	5,304	5,700	5,638	5,674	5,720	3.9
Education	2,567	2,657	2,813	2,893	2,899	3,037	3,194	3,253	3,264	3,257	2.7
Social services	873	961	1,066	1,155	1,511	1,397	1,815	1,666	1,704	1,741	8.0
Protection of persons and property	341	392	400	417	438	565	655	422	416	411	2.1
Transportation	367	392	403	417	652	856	624	480	452	451	2.3
Natural resources & economic development	507	684	763	742	813	1,002	1,181	940	741	739	4.3
Other	469	319	365	496	555	592	1,078	626	625	591	2.6
Contingencies - general programs and CleanBC	-	-	-	-	-	-	-	419	390	348	n/a
Contingencies - <i>Shared Recovery</i> <i>Mandate</i>	-	-	-	-	-	-	-	401	460	470	n/a
Pandemic Recovery Contingencies	-	-	-	-	-	-	-	182	-	-	n/a
General government	316	313	334	325	760	392	437	352	340	337	0.7
Debt servicing	532	532	536	535	528	527	511	593	696	761	4.1
Operating expense	10,025	10,497	11,103	11,584	13,124	13,672	15,195	14,972	14,762	14,826	4.4
Real Per Capita Operating Expense (2022 \$) ⁴	11,919	12,219	12,582	12,828	14,424	14,616	15,195	14,408	13,860	13,621	1.5
Growth rate (per cent)	0.4	2.5	3.0	2.0	12.4	1.3	4.0	-5.2	-3.8	-1.7	1.5

¹ Numbers may not add due to rounding.

² Expense as a per cent of GDP is calculated using nominal GDP for the calendar year ending in the fiscal year (e.g. 2023/24 expense divided by nominal GDP for the 2023 calendar year).

³ Per capita expense is calculated using July 1 population (e.g. 2023/24 expense divided by population on July 1, 2023).

⁴ Expense is converted to real (inflation-adjusted) terms using the consumer price index (CPI) for the corresponding calendar year (e.g. 2023 CPI for 2023/24 expense).

Table A9 Full-Time Equivalents (FTEs) – 2016/17 to 2025/2026 ¹

	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Updated Forecast 2023/24	Plan 2024/25	Plan 2025/26	Average annual change (per cent)
Taxpayer-supported programs and agencies:											
Ministries and special offices (CRF)	27,940	29,291	30,891	31,774	32,672	33,400	33,696	35,500	36,000	36,000	2.9
Service delivery agencies ²	4,850	5,076	5,258	5,985	6,042	6,767	7,746	9,023	9,217	9,396	7.6
Total FTEs	32,790	34,367	36,149	37,759	38,714	40,167	41,442	44,523	45,217	45,396	3.7
Growth rates (per cent):											
Ministries and special offices (CRF)	2.8	4.8	5.5	2.9	2.8	2.2	0.9	6.3	1.4	0.0	3.0
Service delivery agencies	1.0	4.7	3.6	13.8	1.0	12.0	14.5	33.3	2.2	1.9	8.8
Population per FTE: ³											
Total FTEs	148.2	143.4	138.6	134.9	133.2	129.5	128.4	123.3	124.9	126.6	-1.7

¹ Full-time equivalents (FTEs) are a measure of staff employment. FTEs are calculated by dividing the total hours of employment paid for in a given period by the number of hours an individual, full-time person would normally work in that period. This does not equate to the physical number of employees. For example, two half-time employees would equal one FTE, or alternatively, three FTEs may represent two full-time employees who have worked sufficient overtime hours to equal an additional FTE.

² Service delivery agency FTE amounts do not include SUCH sector staff employment.

³ Population per FTE is calculated using July 1 population (e.g. population on July 1, 2023 divided by 2023/24 FTEs).

Table A10 Capital Spending – 2016/17 to 2025/26

(\$ millions)	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Updated Forecast 2023/24	Plan 2024/25	Plan 2025/26	Average annual change (per cent)
Taxpayer-supported:											
Education											
Schools districts	474	578	626	877	944	1,001	934	990	1,038	1,312	12.0
Post-secondary institutions	792	968	1,024	936	904	899	1,071	1,683	1,697	1,436	6.8
Health	1,004	890	904	1,009	1,162	1,555	1,915	3,531	3,802	4,434	17.9
BC Transportation Financing Authority ¹	823	717	853	955	1,285	1,364	1,823	3,968	4,188	4,140	19.7
BC Transit	41	115	85	73	107	67	100	208	507	519	32.6
Government direct (ministries)	301	430	421	520	389	386	470	699	526	459	4.8
Social Housing	184	169	483	355	572	642	357	941	703	698	16.0
Other	40	41	56	47	65	88	85	160	178	78	7.7
Total taxpayer-supported	3,659	3,908	4,452	4,772	5,428	6,002	6,755	12,180	12,639	13,076	15.2
Self-supported:											
BC Hydro	2,444	2,473	3,826	3,082	3,207	3,475	3,919	3,861	3,924	2,653	0.9
Columbia Basin power projects	2	1	2	994	7	9	10	9	10	21	29.9
Transportation Investment Corporation ¹	38	4	-	-	-	-	-	-	-	-	n/a
BC Railway Company	4	11	33	6	1	2	6	7	7	3	-3.1
ICBC	62	54	66	62	100	54	41	65	42	49	-2.6
BC Lottery Corporation ²	86	82	75	102	73	90	95	103	100	100	1.7
Liquor Distribution Branch	27	48	60	36	22	22	16	28	34	27	0.0
Other ³	62	56	44	104	65	78	78	-	-	-	n/a
Total self-supported	2,725	2,729	4,106	4,386	3,475	3,730	4,165	4,073	4,117	2,853	0.5
Total capital spending	6,384	6,637	8,558	9,158	8,903	9,732	10,920	16,253	16,756	15,929	10.7
Per cent of nominal GDP: ⁴											
Taxpayer-supported	1.4	1.4	1.5	1.5	1.8	1.7	1.7	3.0	3.0	3.0	9.0
Self-supported	1.0	1.0	1.4	1.4	1.1	1.1	1.1	1.0	1.0	0.7	-4.9
Total	2.4	2.4	2.9	3.0	2.9	2.8	2.8	4.0	4.0	3.7	4.7
Growth rates:											
Taxpayer-supported	5.8	6.8	13.9	7.2	13.7	10.6	12.5	80.3	3.8	3.5	15.8
Self-supported	5.9	0.1	50.5	6.8	-20.8	7.3	11.7	-2.2	1.1	-30.7	3.0
Total	5.8	4.0	28.9	7.0	-2.8	9.3	12.2	48.8	3.1	-4.9	11.1
Per capita: ⁵											
Taxpayer-supported	753	793	889	937	1,053	1,154	1,270	2,218	2,238	2,276	13.1
Self-supported	561	554	819	861	674	717	783	742	729	497	-1.3
Total	1,314	1,346	1,708	1,798	1,727	1,871	2,053	2,960	2,967	2,773	8.7
Real Per Capita Capital Spending (2022 \$) ⁶	1,562	1,567	1,935	1,990	1,898	2,000	2,053	2,849	2,785	2,547	5.6
Growth rate (per cent)	2.2	0.4	23.5	2.8	-4.7	5.4	2.7	38.8	-2.2	-8.5	6.0

¹ Includes Transportation Investment Plan capital spending and, beginning in 2017/18, Transportation Investment Corporation rehabilitation costs for the Port Mann Bridge due to reclassification from self-supported commercial Crown corporation to a taxpayer-supported agency in response to the cancellation of tolls. Effective April 1, 2018, Transportation Investment Corporation became a subsidiary of BCTFA.

² Forecasted amounts exclude right-of-use assets.

³ Includes post-secondary institutions' self-supported subsidiaries.

⁴ Capital spending as a per cent of GDP is calculated using nominal GDP for the calendar year ending in the fiscal year (e.g. 2023/24 amounts divided by nominal GDP for the 2023 calendar year).

⁵ Per capita capital spending is calculated using July 1 population (e.g. 2023/24 amounts divided by population on July 1, 2023).

⁶ Capital spending is converted to real (inflation-adjusted) terms using the consumer price index (CPI) for the corresponding calendar year (e.g. 2023 CPI for 2023/24 capital spending).

Table A11 Statement of Financial Position – 2016/17 to 2025/26 ¹

(\$ millions)	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Updated Forecast 2023/24	Plan 2024/25	Plan 2025/26	Average annual change (per cent)
Financial assets:											
Cash and temporary investments	4,232	3,440	3,029	3,985	6,560	7,142	8,247	2,961	4,103	3,215	-2.5
Other financial assets ²	10,209	11,740	12,637	12,404	15,410	17,105	19,077	16,492	18,158	19,466	6.0
Sinking funds	1,087	1,348	752	692	492	510	521	485	532	352	-9.7
Investments in commercial Crown corporations:											
Retained earnings	7,517	6,134	5,738	6,523	9,632	12,223	12,634	13,349	14,528	15,707	6.9
Recoverable capital loans	23,809	20,534	22,547	24,768	26,301	27,218	28,145	30,147	32,172	33,359	3.1
	31,326	26,668	28,285	31,291	35,933	39,441	40,779	43,496	46,700	49,066	4.2
Total financial assets	46,854	43,196	44,703	48,372	58,395	64,198	68,624	63,434	69,493	72,099	4.0
Liabilities:											
Accounts payable, accrued liabilities & others ²	10,521	11,278	12,137	13,101	14,733	18,509	25,402	22,305	23,976	24,900	8.1
Deferred revenue	9,665	10,068	10,543	10,651	12,211	13,379	15,005	16,068	17,143	18,194	5.9
Debt:	41,499	43,607	42,681	46,229	59,750	62,341	59,934	70,772	84,737	98,130	8.1
Taxpayer-supported debt											
Self-supported debt	24,338	21,312	23,281	25,932	27,350	28,325	29,492	31,562	34,092	34,713	3.3
Forecast allowance	-	-	-	-	-	-	-	700	500	500	
Total provincial debt	65,837	64,919	65,962	72,161	87,100	90,666	89,426	103,034	119,329	133,343	6.6
Add: debt offset by sinking funds	1,087	1,348	752	692	492	510	521	485	532	352	-9.7
Add: foreign exchange adjustments	-	-	-	-	-	-	472	-	-	n/a	
Less: guarantees & non-guaranteed debt	(835)	(896)	(850)	(1,337)	(1,335)	(1,402)	(1,523)	(1,415)	(1,380)	(1,355)	4.5
Financial statement debt	66,089	65,371	65,864	71,516	86,257	89,774	88,896	102,104	118,481	132,340	6.5
Total liabilities	86,275	86,717	88,544	95,268	113,201	121,662	129,303	140,477	159,600	175,434	6.7
Net liabilities	(39,421)	(43,521)	(43,841)	(46,896)	(54,806)	(57,464)	(60,679)	(77,043)	(90,107)	(103,335)	9.2
Capital and other assets:											
Tangible capital assets	41,375	45,908	47,902	50,095	52,851	56,133	59,811	69,032	78,450	88,037	7.1
Restricted assets	1,695	1,768	1,834	1,931	2,003	2,147	2,224	2,313	2,382	2,452	3.4
Other assets	1,126	932	952	1,100	1,582	1,791	1,347	1,727	2,157	1,591	3.2
Total capital and other assets	44,196	48,608	50,688	53,126	56,436	60,071	63,382	73,072	82,989	92,080	6.9
Accumulated surplus (deficit)	4,775	5,087	6,847	6,230	1,630	2,607	2,703	(3,971)	(7,118)	(11,255)	
Per cent of Nominal GDP: ³											
Net liabilities	14.9	15.4	14.7	15.2	17.9	16.4	15.5	19.1	21.6	23.8	4.3
Capital and other assets	16.7	17.2	17.0	17.2	18.4	17.1	16.2	18.1	19.9	21.2	2.2
Growth rates:											
Net liabilities	-4.3	10.4	0.7	7.0	16.9	4.8	5.6	27.0	17.0	14.7	n/a
Capital and other assets	2.7	10.0	4.3	4.8	6.2	6.4	5.5	15.3	13.6	11.0	n/a
Per capita: ⁴											
Net liabilities	8,113	8,829	8,750	9,205	10,631	11,046	11,407	14,032	15,954	17,987	7.5
Capital and other assets	9,095	9,861	10,116	10,428	10,947	11,547	11,915	13,309	14,694	16,028	5.3

¹ Figures have been restated to reflect government's current accounting policies.

² Forecast includes \$663 million derivative assets in other financial assets and \$1,031 million derivative liabilities in other liabilities.

³ Net liabilities as a per cent of GDP is calculated using nominal GDP for the calendar year ending in the fiscal year (e.g. 2023/24 amount divided by GDP for the 2023 calendar year).

⁴ Per capita net liabilities is calculated using July 1 population (e.g. 2023/24 amount divided by population on July 1, 2023).

Table A12 Changes in Financial Position – 2016/17 to 2025/26

(\$ millions)	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2021/22	Actual 2021/22	Actual 2022/23	Updated Forecast 2023/24	Plan 2024/25	Plan 2025/26	10-Year Total
(Surplus) deficit for the year	(2,728)	(276)	(1,494)	362	5,507	(1,265)	(704)	6,674	3,147	4,137	13,360
Change in remeasurement (gains) losses	(236)	(36)	(266)	255	(907)	288	608	-	-	-	(294)
Change in accumulated (surplus) deficit	(2,964)	(312)	(1,760)	617	4,600	(977)	(96)	6,674	3,147	4,137	13,066
Capital and other asset changes:											
Taxpayer-supported capital investments	3,659	3,908	4,452	4,772	5,428	6,002	6,755	12,180	12,639	13,076	72,871
Less: amortization and other accounting changes	(2,638)	625	(2,458)	(2,579)	(2,672)	(2,720)	(3,077)	(2,959)	(3,221)	(3,489)	(25,188)
Increase in net capital assets	1,021	4,533	1,994	2,193	2,756	3,282	3,678	9,221	9,418	9,587	47,683
Increase (decrease) in restricted assets	64	73	66	97	72	144	77	89	69	70	821
Increase (decrease) in other assets	87	(194)	20	148	482	209	(444)	380	430	(566)	552
Change in capital and other assets	1,172	4,412	2,080	2,438	3,310	3,635	3,311	9,690	9,917	9,091	49,056
Increase (decrease) in net liabilities	(1,792)	4,100	320	3,055	7,910	2,658	3,215	16,364	13,064	13,228	62,122
Investment and working capital changes:											
Investment in commercial Crown corporations:											
Increase (decrease) in retained earnings	(20)	(1,383)	(396)	785	3,109	2,591	411	715	1,179	1,179	8,170
Self-supported capital investments	2,725	2,729	4,106	4,386	3,475	3,730	4,165	4,073	4,117	2,853	36,359
Less: loan repayments and other accounting changes	(957)	(6,004)	(2,093)	(2,165)	(1,942)	(2,813)	(3,238)	(2,071)	(2,092)	(1,666)	(25,041)
Change in investment	1,748	(4,658)	1,617	3,006	4,642	3,508	1,338	2,717	3,204	2,366	19,488
Increase (decrease) in cash and temporary investments	340	(792)	(411)	956	2,575	582	1,105	(5,286)	1,142	(888)	(677)
Other working capital changes ¹	(218)	632	(1,033)	(1,365)	(386)	(3,231)	(6,536)	(587)	(1,033)	(847)	(14,604)
Change in investment and working capital	1,870	(4,818)	173	2,597	6,831	859	(4,093)	(3,156)	3,313	631	4,207
Increase (decrease) in financial statement debt	78	(718)	493	5,652	14,741	3,517	(878)	13,208	16,377	13,859	66,329
(Increase) decrease in sinking fund debt	493	(261)	596	60	200	(18)	(11)	36	(47)	180	1,228
(Increase) decrease in foreign exchange	-	-	-	-	-	(472)	472	-	-	-	-
Increase (decrease) in guarantees	(23)	(188)	(2)	57	113	9	(119)	(176)	(540)	541	(328)
Increase (decrease) in non-guaranteed debt	38	249	(44)	430	(115)	58	240	68	505	(566)	863
Increase (decrease) in total provincial debt	586	(918)	1,043	6,199	14,939	3,566	(1,240)	13,608	16,295	14,014	68,092
Represented by increase (decrease) in:											
Taxpayer-supported debt	(1,220)	2,108	(926)	3,548	13,521	2,591	(2,407)	10,838	13,965	13,393	55,411
Self-supported debt	1,806	(3,026)	1,969	2,651	1,418	975	1,167	2,070	2,530	621	12,181
Forecast allowance	-	-	-	-	-	-	-	700	(200)	-	500
Total provincial debt	586	(918)	1,043	6,199	14,939	3,566	(1,240)	13,608	16,295	14,014	68,092

¹ Includes changes in other financial assets, sinking funds, accounts payable, deferred revenue and other accrued liabilities.

Table A13 Provincial Debt – 2016/17 to 2025/26

(\$ millions)	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Updated Forecast 2023/24	Plan 2024/25	Plan 2025/26	Average annual change (per cent)
Taxpayer-supported debt:											
Provincial government											
Operating	4,644	1,156	-	-	8,746	7,233	-	1,871	4,131	5,860	2.6
Capital ²											
K-12 education	8,454	8,891	8,885	9,757	10,529	11,342	10,893	11,614	12,465	13,479	5.3
Post-secondary institutions	4,285	4,584	4,607	4,917	5,426	5,732	5,502	6,156	7,073	7,822	6.9
Health facilities	5,835	6,141	6,173	6,705	7,484	8,223	8,286	9,988	12,773	15,991	11.9
Ministries general capital	2,288	2,718	2,363	3,133	3,702	4,087	4,549	5,109	5,559	5,972	11.2
Transportation	2,174	5,682	5,401	5,401	5,401	5,401	5,391	5,392	5,393	5,395	10.6
Social housing	449	619	619	805	1,062	1,424	1,648	2,110	2,624	3,165	24.2
Other	242	242	242	252	268	278	269	370	493	528	9.1
Total capital	23,727	28,877	28,290	30,970	33,872	36,487	36,538	40,739	46,380	52,352	9.2
Total provincial government	28,371	30,033	28,290	30,970	42,618	43,720	36,538	42,610	50,511	58,212	8.3
Taxpayer-supported entities:											
BC Pavilion Corporation	143	141	138	135	132	129	126	123	120	116	-2.3
BC Transit	94	84	73	65	60	56	53	97	215	349	15.7
BC Transportation Financing Authority	9,974	10,388	11,293	12,193	13,321	14,615	18,992	22,930	27,620	32,330	14.0
Health Authorities and Hospital Societies	1,717	1,762	1,795	1,802	1,875	1,839	1,983	2,380	2,332	2,281	3.2
InBC Investment Corp.	217	161	70	45	37	19	21	84	188	304	3.8
Post-secondary institutions	699	744	763	753	882	922	910	944	1,025	1,029	4.4
School districts	19	17	19	18	24	25	21	17	13	8	-9.2
Social housing	246	259	225	222	770	974	1,241	1,566	2,694	3,484	34.2
Other	19	18	15	26	31	42	49	21	19	17	-1.4
Total taxpayer-supported entities	13,128	13,574	14,391	15,259	17,132	18,621	23,396	28,162	34,226	39,918	13.2
Total taxpayer-supported debt	41,499	43,607	42,681	46,229	59,750	62,341	59,934	70,772	84,737	98,130	10.0
Self-supported debt:											
Commercial Crown corporations and agencies											
BC Hydro	19,685	19,990	22,064	23,238	24,650	25,611	26,707	28,889	31,458	32,098	5.6
BC Liquor Distribution Branch	-	-	-	210	233	230	242	243	245	250	3.0
BC Lottery Corporation	145	155	100	233	228	195	201	121	109	110	-3.0
Columbia Basin power projects	448	433	418	1,387	1,349	1,319	1,298	1,271	1,242	1,210	11.7
Columbia Power Corporation	291	286	282	276	271	266	270	264	259	253	-1.6
Post-secondary institution subsidiaries	340	418	387	504	520	615	685	677	677	677	8.0
Transportation Investment Corporation ¹	3,398	-	-	-	-	-	-	-	-	-	n/a
Other	31	30	30	84	99	89	89	97	103	115	15.7
Total self-supported debt	24,338	21,312	23,281	25,932	27,350	28,325	29,492	31,562	34,092	34,713	4.0
Forecast allowance	-	-	-	-	-	-	-	700	500	500	n/a
Total provincial debt	65,837	64,919	65,962	72,161	87,100	90,666	89,426	103,034	119,329	133,343	8.2

¹ Beginning in 2017/18, debt related to the Port Mann Bridge was reclassified as taxpayer-supported due to the elimination of tolls effective September 1, 2017.

² Includes debt incurred by the government to fund the building and construction of capital assets in the education, health, social housing and other sectors.

Table A14 Provincial Debt Supplementary Information – 2016/17 to 2025/26 ¹

(\$ millions)	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Updated Forecast 2023/24	Plan 2024/25	Plan 2025/26	Average annual change (per cent)
Per cent of nominal GDP: ²											
Taxpayer-supported debt:											
Provincial government direct operating	1.8	0.4	-	-	2.8	2.1	-	0.5	1.0	1.4	-2.9
Provincial government capital	9.0	10.2	9.5	10.0	11.0	10.4	9.3	10.1	11.1	12.1	3.3
Total provincial government	10.8	10.6	9.5	10.0	13.9	12.5	9.3	10.6	12.1	13.4	2.5
Taxpayer-supported entities	5.0	4.8	4.8	4.9	5.6	5.3	6.0	7.0	8.2	9.2	7.1
Total taxpayer-supported debt	15.7	15.4	14.4	15.0	19.5	17.8	15.3	17.6	20.3	22.6	4.1
Self-supported debt:											
Commercial Crown corporations & agencies	9.2	7.6	7.8	8.4	8.9	8.1	7.5	7.8	8.2	8.0	-1.6
Total provincial debt	24.9	23.0	22.2	23.4	28.4	25.9	22.8	25.6	28.7	30.7	2.3
Growth rates (per cent):											
Taxpayer-supported debt:											
Provincial government direct operating	-42.2	-75.1	-100.0	-	-	-17.3	-100.0	-	120.8	41.9	-16.9
Provincial government capital	6.3	21.7	-2.0	9.5	9.4	7.7	0.1	11.5	13.8	12.9	8.8
Taxpayer-supported entities	6.2	3.4	6.0	6.0	12.3	8.7	25.6	20.4	21.5	16.6	12.2
Total taxpayer-supported debt	-2.9	5.1	-2.1	8.3	29.2	4.3	-3.9	18.1	19.7	15.8	8.5
Self-supported debt:											
Commercial Crown corporations & agencies	8.0	-12.4	9.2	11.4	5.5	3.6	4.1	7.0	8.0	1.8	4.8
Total provincial debt	0.9	-1.4	1.6	9.4	20.7	4.1	-1.4	15.2	15.8	11.7	7.3
Per capita: ³											
Taxpayer-supported debt:											
Provincial government direct operating	956	235	-	-	1,696	1,390	-	341	731	1,020	0.7
Provincial government capital	4,883	5,858	5,646	6,079	6,570	7,014	6,869	7,420	8,212	9,113	7.2
Taxpayer-supported entities	2,702	2,754	2,872	2,995	3,323	3,579	4,398	5,129	6,060	6,948	11.1
Total taxpayer-supported debt	8,540	8,846	8,518	9,074	11,590	11,983	11,267	12,890	15,003	17,081	8.0
Self-supported debt:											
Commercial Crown corporations & agencies	5,009	4,323	4,646	5,090	5,305	5,445	5,544	5,749	6,036	6,042	2.1
Total provincial debt	13,549	13,170	13,165	14,164	16,895	17,428	16,812	18,766	21,128	23,211	6.2
Real Per Capita Provincial Debt (2022 \$) ⁴	16,106	15,330	14,918	15,684	18,566	18,631	16,812	18,059	19,834	21,325	3.2
Growth rate (per cent)	4.1	-4.8	-2.7	5.1	18.4	0.4	-9.8	7.4	9.8	7.5	3.3

1 Numbers may not add due to rounding.

2 Debt as a per cent of GDP is calculated using nominal GDP for the calendar year ending in the fiscal year (e.g. 2023/24 debt divided by nominal GDP for the 2023 calendar year).

3 Per capita debt is calculated using July 1 population (e.g. 2023/24 debt divided by population on July 1, 2023).

4 Debt is converted to real (inflation-adjusted) terms using the consumer price index (CPI) for the corresponding calendar year (e.g. 2023 CPI for 2023/24 debt).

Table A15 Key Provincial Debt Indicators – 2016/17 to 2025/26

	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Updated Forecast 2023/24	Plan 2024/25	Plan 2025/26	Average annual change (per cent)
Debt to revenue (per cent)											
Total provincial	99.3	94.7	89.5	95.9	115.1	104.3	90.6	111.8	122.9	133.6	3.4
Taxpayer-supported	81.8	82.5	75.0	80.6	101.2	90.8	74.3	95.5	108.7	124.6	4.8
Debt per capita (\$) ¹											
Total provincial	13,549	13,170	13,165	14,164	16,895	17,428	16,813	18,766	21,128	23,211	6.2
Taxpayer-supported	8,540	8,846	8,518	9,074	11,590	11,983	11,268	12,890	15,004	17,081	8.0
Debt to nominal GDP (per cent) ²											
Total provincial	24.9	23.0	22.2	23.4	28.4	25.9	22.8	25.6	28.7	30.7	2.3
Taxpayer-supported	15.7	15.4	14.4	15.0	19.5	17.8	15.3	17.6	20.3	22.6	4.1
Interest bite (cents per dollar of revenue) ³											
Total provincial	3.8	4.0	3.8	3.8	3.7	3.3	3.2	3.7	4.1	4.6	2.1
Taxpayer-supported	3.2	3.3	3.2	3.1	3.1	2.8	2.5	3.1	3.6	4.2	2.9
Interest costs (\$ millions)											
Total provincial	2,521	2,759	2,786	2,893	2,817	2,848	3,114	3,415	4,002	4,553	6.8
Taxpayer-supported	1,644	1,725	1,793	1,807	1,832	1,896	2,030	2,302	2,823	3,313	8.1
Interest rate (per cent) ⁴											
Taxpayer-supported	3.9	4.1	4.2	4.1	3.5	3.1	3.3	3.5	3.6	3.6	-0.8
Background Information:											
Revenue (\$ millions)											
Total provincial ⁵	66,334	68,551	73,734	75,283	75,691	86,903	98,655	92,119	97,120	99,798	4.6
Taxpayer-supported ⁶	50,726	52,866	56,881	57,386	59,033	68,658	80,647	74,128	77,961	78,787	5.0
Debt (\$ millions)											
Total provincial	65,837	64,919	65,962	72,161	87,100	90,666	89,426	103,034	119,329	133,343	8.2
Taxpayer-supported ⁷	41,499	43,607	42,681	46,229	59,750	62,341	59,934	70,772	84,737	98,130	10.0
Provincial nominal GDP (\$ millions) ⁸	263,912	282,283	297,392	308,993	306,947	350,598	391,669	403,219	416,423	434,159	5.7
Population (thousands at July 1) ⁹	4,859	4,929	5,010	5,095	5,155	5,202	5,319	5,490	5,648	5,745	1.9

¹ The ratio of debt to population (e.g. 2023/24 debt divided by population at July 1, 2023).

² The ratio of debt outstanding at fiscal year end to provincial nominal gross domestic product (GDP) for the calendar year ending in the fiscal year (e.g. 2023/24 debt divided by 2023 nominal GDP).

³ The ratio of interest costs (less sinking fund interest) to revenue. Figures include capitalized interest expense in order to provide a more comparable measure to outstanding debt.

⁴ Weighted average of all outstanding debt issues.

⁵ Includes revenue of the consolidated revenue fund (excluding dividends from enterprises) plus revenue of all government organizations and enterprises.

⁶ Excludes revenue of government enterprises, but includes dividends from enterprises paid to the consolidated revenue fund.

⁷ Excludes debt of commercial Crown corporations and agencies and funds held under the province's warehouse borrowing program.

⁸ Nominal GDP for the calendar year ending in the fiscal year (e.g. nominal GDP for 2023 is used for the fiscal year ended March 31, 2024).

⁹ Population at July 1st within the fiscal year (e.g. population at July 1, 2023 is used for the fiscal year ended March 31, 2024).

