

Delivering Dividends of a Strong Economy

BALANCED BUDGET 2017 HIGHLIGHTS

FIVE-STRAIGHT BALANCED BUDGETS

British Columbia's fifth-consecutive balanced budget delivers the dividends of a strong and diversified economy and prudent fiscal management by cutting costs for middle-class B.C. families, investing in priority programs and services, and promoting a competitive, job-creating economy, including:

- » Leaving nearly \$1 billion more in the pockets of B.C. families by cutting Medical Services Plan premiums in half and starting to eliminate them.
- » Record levels of infrastructure investment supporting more than 30,000 jobs.
- » Funding new investments for classrooms, mental health services, and other supports for families, children, and those most in need.

PHASING OUT MSP — CUTTING PREMIUMS 50%

Medical Services Plan (MSP) premiums will be cut in half for British Columbians with annual family net income up to \$120,000, effective Jan. 1, 2018. This is the first step as the Province begins the process of eliminating MSP premiums.

The changes mean annual savings of up to \$900 for families paying full premiums and up to \$450 for individuals. As a result, two million British Columbians will see their premiums reduced by half, in addition to the two million British Columbians who already don't pay premiums at all.

With a track record of successive balanced budgets, B.C. remains in a fiscal position envied by many jurisdictions around the world. We are forecast to be among the top provincial economic performers in 2017, and with Balanced Budget 2017 we are working to further strengthen our economy, create jobs and make life more affordable for British Columbians.



HONOURABLE
MICHAEL DE JONG, Q.C.
MINISTER OF FINANCE

MSP PREMIUM CHANGES EFFECTIVE JAN. 1, 2018

- » More than two million British Columbians pay no premiums.
- » Additional two million British Columbians will see a 50% premium reduction.





SUPPORT FOR MENTAL HEALTH

\$45 MILLION to the Ministry of Children and Family Development over 3 years for more mental health counselling and treatment.

\$12 MILLION for up to 28 additional specialized youth addictions treatment beds.

\$9 MILLION for the expansion of youth service centres at up to five sites with each expected to reach 1,200–2,500 more clients annually.

\$11 MILLION over 3 years for the BC Centre for Substance Use.

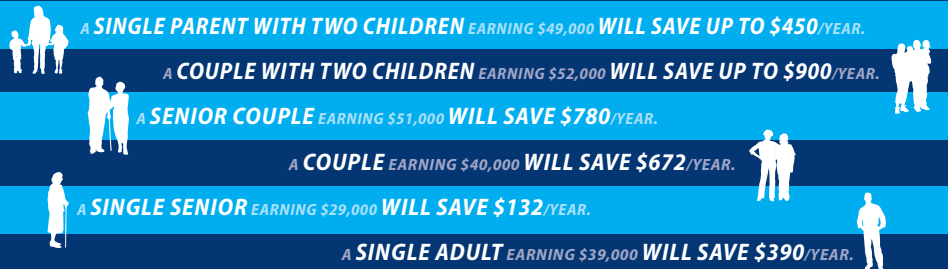
TOWARD ELIMINATION OF MSP PREMIUMS

Beginning Jan. 1, 2018, MSP premiums will be reduced by 50% for households with an annual net income of up to \$120,000. More than two million British Columbians already pay no premiums, and following this change a further two million will see a 50% reduction in their premiums — rolling back most premiums near to levels that were set in 1993.

The Province is also raising the income threshold below which households are fully exempt from MSP by \$2,000. This means individuals earning up to \$26,000 will pay no premiums, and couples with two children earning up to \$35,000 will pay no premiums.

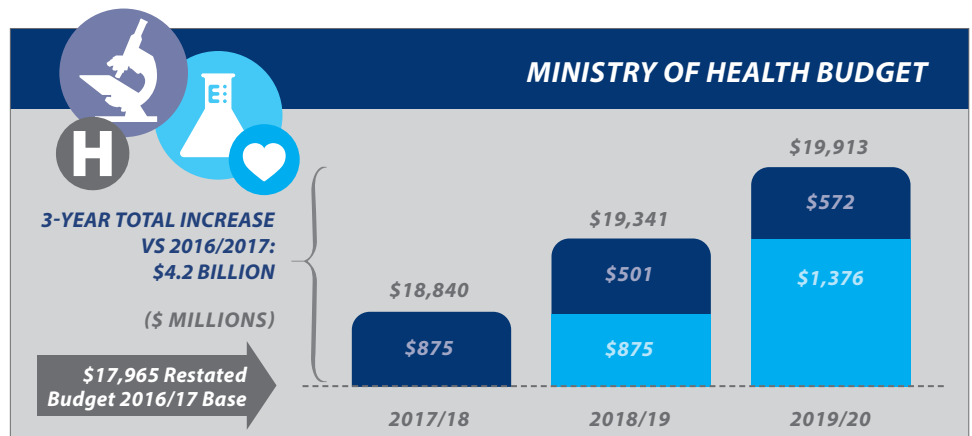
TWO MILLION BRITISH COLUMBIANS WILL SEE PREMIUMS REDUCED.

EFFECTIVE JANUARY 1, 2018 (EXAMPLES BASED ON HOUSEHOLD NET INCOME)



RECORD LEVEL INVESTMENTS IN HEALTH CARE

The Ministry of Health will see a three-year increase of \$4.2 billion compared to its 2016–17 base budget. This includes funding that supports government’s \$100-million, three-year enhancement in services addressing mental health and substance use issues, particularly for youth.



BOOSTING K–12 EDUCATION FUNDING

The Education budget will increase by \$740 million over three years, including \$228 million to fund enrolment growth in British Columbia schools, funding for rural education enhancement, student transportation, K–12 salary costs, continued funding for the Learning Improvement Fund, and \$320 million over three years while we work to conclude a final agreement with the BCTF on class size and composition.

\$2.6 BILLION IN POST-SECONDARY EDUCATION INFRASTRUCTURE

- » A new Sustainable Energy and Environmental Engineering Building at the Surrey campus of Simon Fraser University.
- » A new Industrial Training and Technology Centre at Thompson Rivers University in Kamloops.
- » Renewal of trades facilities at the College of the Rockies in Cranbrook.
- » A new Heavy Duty Mechanics building at the College of New Caledonia in Prince George.
- » Renovation and renewal of trades facilities at Selkirk College in Nelson.
- » North Island College, Campbell River Campus trades facilities replacement.
- » Northern Lights College, Dawson Creek, trades campus replacement.
- » Northwest Community College, Terrace Campus trades facilities renewal.
- » Okanagan College, Vernon Campus new trades training facility.



BUILDING SCHOOLS

Budget 2017 total school capital spending is \$2 billion over three years. This includes:

Up to **5,200 NEW STUDENT SEATS IN SURREY** with a three year \$217 million investment to address the enrolment growth.

430 STUDENT SPACES and a Neighbourhood Learning Centre at Smiling Creek Elementary in Coquitlam.

A **SEISMIC UPGRADE AND REPLACEMENT** of two classroom wings at Alpha Secondary in Burnaby.



FIREFIGHTERS AND SEARCH AND RESCUE

The new tax credit for B.C.'s volunteer firefighters and search and rescue volunteers will give thousands of eligible volunteers throughout B.C. a \$3,000 non-refundable tax credit, providing a benefit up to \$151.80 each year.



BACK TO SCHOOL

The B.C. back-to-school tax credit is a non-refundable tax credit for parents of school age children to help with the cost of purchasing school supplies. The credit amount is \$250 for each child, providing a tax benefit of up to \$12.65 for each child.

CARING FOR CHILDREN & FAMILIES

An additional \$796 million over three years to support families, individuals and children most in need, including:

- » \$147 million to reduce waitlists and strengthen children and youth programs and services.
- » \$120 million for family supports and reunification, culturally appropriate services, and additional staff within Indigenous communities that will begin to address recommendations of the Grand Chief Ed John Report on Indigenous Child Welfare.
- » \$20 million for child care, including up to 2,000 new child care spaces.
- » \$199 million to increase assistance rates for persons with disabilities by \$50 per month, or \$600 per year.
- » \$175 million to provide income assistance supports for those in need, including \$8 million to exempt additional child-related benefits.
- » \$135 million over 3 years for community living services, including CLBC.

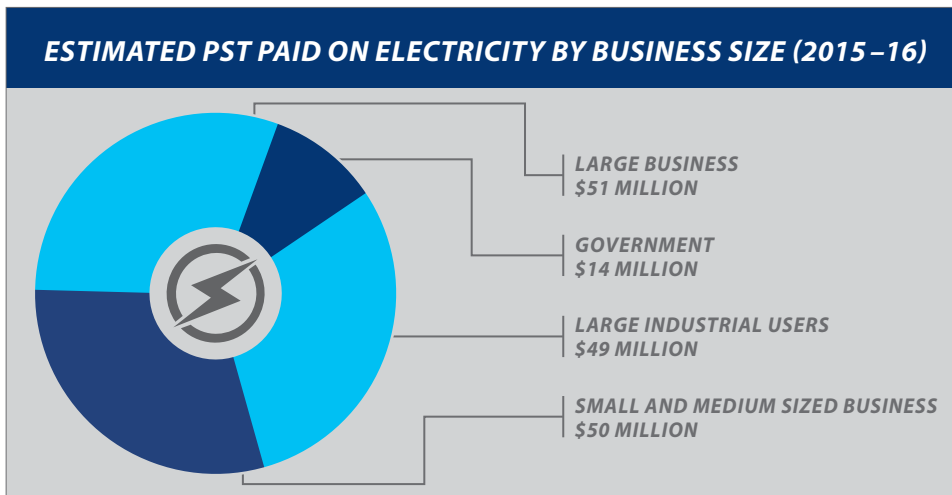
INVESTING IN PRIORITY HOUSING INITIATIVES

The Province is acting to improve housing costs for B.C. families.

- » Increasing the threshold for the first time homebuyers' exemption to \$500,000, saving first-time buyers up to \$8,000 in property transfer tax.
- » Over \$700 million in mortgage assistance loans through the BC HOME Partnership program supporting an estimated 42,000 first-time home buyers over three years.
- » \$65 million to fund 380 housing units in support of the homeless, including individuals with mental health and substance use issues — a total commitment of \$920 million supporting almost 5,300 units of housing.
- » Rental assistance programs for low-income families and seniors support over 33,000 households each year.

CUTTING PST ON ELECTRICITY

The tax rate on electricity will be reduced to 3.5% from 7%, effective Oct. 1, 2017, and fully exempt effective April 1, 2019. Eliminating PST on electricity is estimated to save small- and medium-sized businesses about \$50 million per year. Residential electricity is already exempt.



HELPING LOCAL BUSINESSES & ECONOMIES GROW

Other measures to improve business competitiveness and economic development:

- » Small business corporate income tax rate reduced to 2% from 2.5%.
- » Extending and enhancing tax credits for the tech sector, scientific research and economic development, and venture capital to support innovation and commercialization.
- » \$87 million to enhance government's tech strategy.
- » \$40 million in additional funding to extend high-speed internet access to rural and remote B.C. communities to support economic growth.
- » Investing a record \$24.5 billion over three years in new and upgraded provincial infrastructure to support services and jobs.
- » \$6 million to fund the Province's three new trade and investment offices in ASEAN countries.



PROTECTING PARKS AND THE ENVIRONMENT

\$36 MILLION for the Parks Future Strategy.

\$18 MILLION for mine permitting and oversight.

\$9 MILLION for Environmental Management Act compliance and enforcement.

\$27 MILLION for the Caribou Recovery Program.

\$10 MILLION for invasive plant management.

\$9 MILLION for enhanced reforestation work.

\$40 MILLION for the Clean Energy Vehicle program.



REDUCING DEBT AND INVESTING IN B.C.

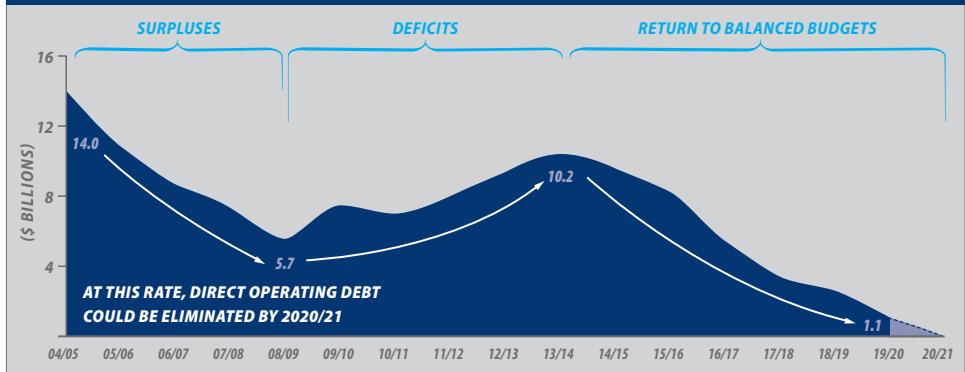
By the end of 2019–20, the direct operating debt, forecast at \$1.1 billion, will be 90% lower than the \$10.2 billion in 2013–14. This reduction is estimated to save more than \$500 million in interest costs by the end of the fiscal plan. With continued discipline, there is an opportunity to be free of operating debt as early as 2020 — which would mark the first time in 45 years the Province would not be carrying operating debt.

The Province’s taxpayer-supported debt-to-GDP ratio, a key measure of debt affordability, is forecast to fall to 15.9% in 2017–18.

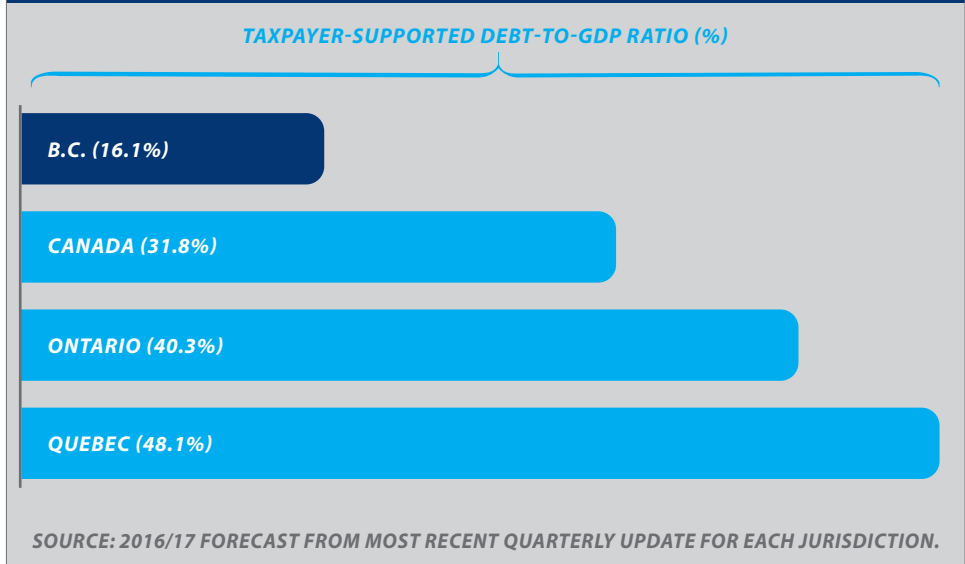
BRITISH COLUMBIA’S TRIPLE-A CREDIT RATING

Since November 2004, the Province has received seven credit rating upgrades, reflecting its stronger and more diversified economy and sound fiscal management. Currently, B.C. is the only province rated triple-A with all three international credit rating agencies (Standard and Poor’s, Moody’s and Fitch).

BY 2019–20, DIRECT OPERATING DEBT WILL BE AT THE LOWEST POINT SINCE 1982–83

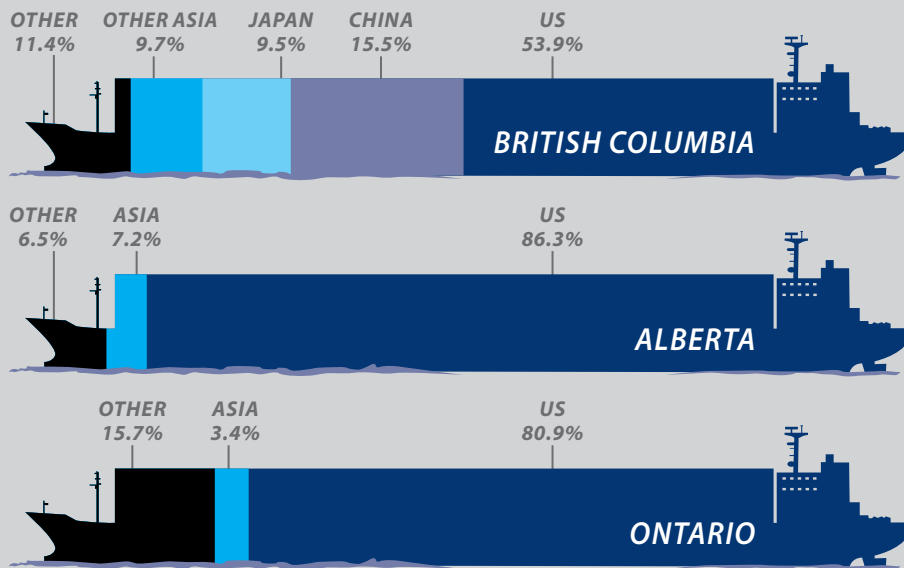


B.C.'S LOW DEBT-TO-GDP RATIO SUPPORTS AAA RATING



MORE THAN ONE-THIRD OF B.C.'S EXPORTS GO TO ASIA

ANNUAL SHARE OF INTERNATIONAL GOODS EXPORTS BY PROVINCE, 2016



SOURCE: BC STATS (MAY NOT ADD TO 100% DUE TO ROUNDING)

\$4.7 BILLION OF INVESTMENT IN TRANSPORTATION INFRASTRUCTURE

Four-laning 3.4 km of Highway 16 to the west of Prince George.

Four-laning 6.3 km of Highway 1 to the west of Salmon Arm.

Six laning 4.5 km of Highway 97 in Kelowna.

A new interchange on Highway 1 at the intersection of Admirals Rd and McKenzie Ave in Victoria.

Four-laning 5 km of Highway 1 through the Malahat Village.

An interchange on Highway 1 at 216th St in Langley and six-laning of the highway between 202nd St. and the new interchange.

A new 7th lane on the Alex Fraser Bridge, including a new interchange on Highway 91 at 72nd Ave.

Okanagan Valley corridor program.

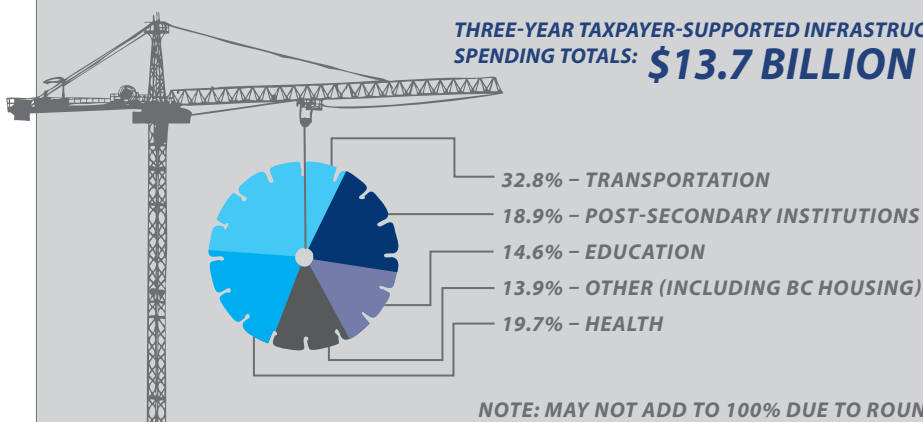
Cariboo connector program.

RECORD LEVELS OF INFRASTRUCTURE SPENDING

Of B.C.'s major taxpayer-supported infrastructure projects in the capital plan, there's more than \$6.5 billion worth of work going on in communities across B.C. The construction of these schools, roads, health facilities, post-secondary institutions and other investments support over 30,000 direct and indirect jobs during construction.

INFRASTRUCTURE SPENDING

THREE-YEAR TAXPAYER-SUPPORTED INFRASTRUCTURE SPENDING TOTALS: **\$13.7 BILLION**

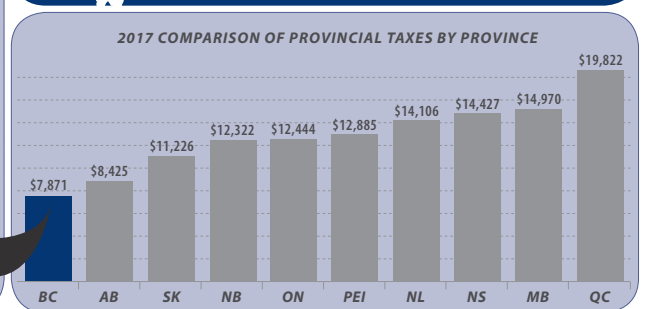
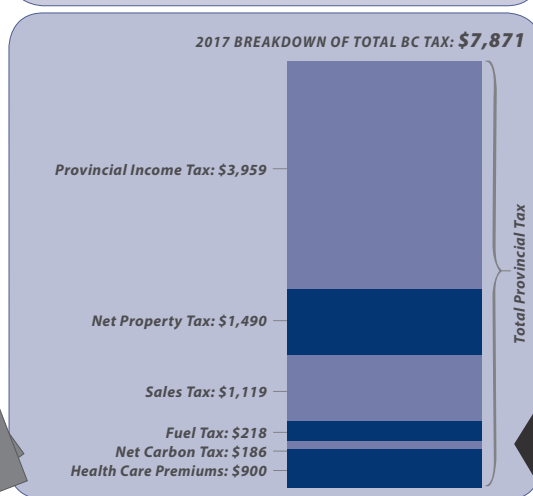
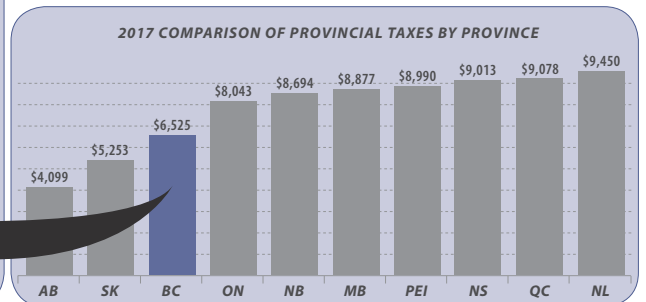
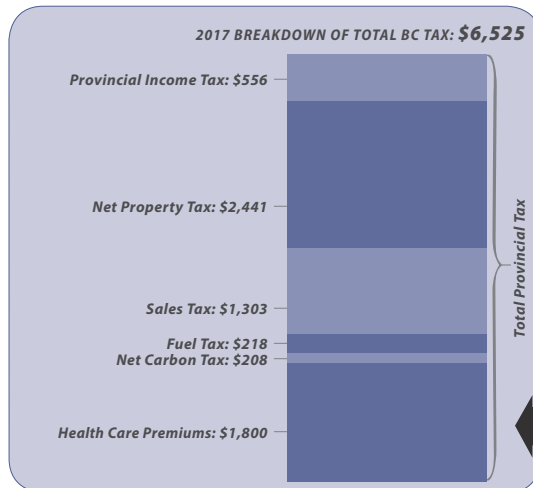
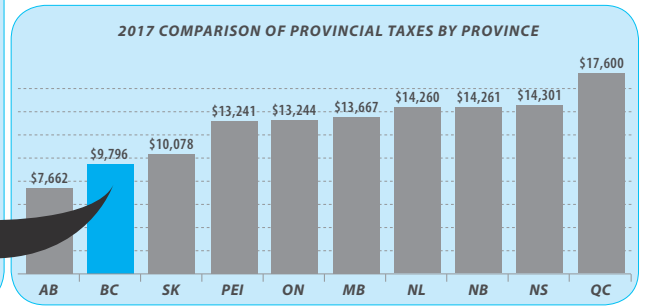
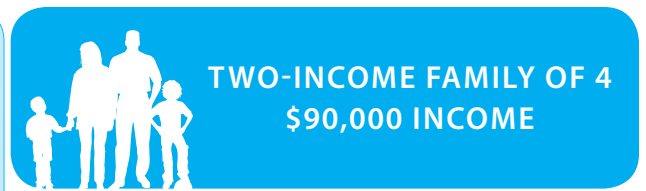
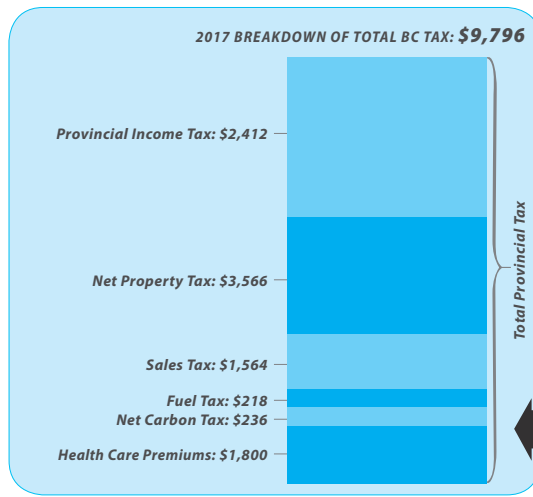


NOTE: MAY NOT ADD TO 100% DUE TO ROUNDING.



LOWEST OVERALL TAXES

British Columbians continue to have one of the lowest overall tax burdens in Canada when all taxes are considered — Including income tax, consumption tax, health care premiums and payroll tax.

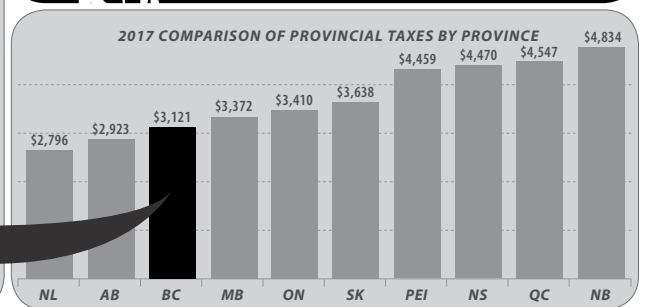
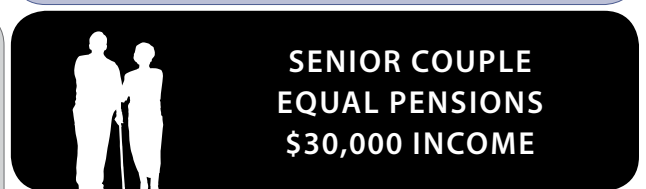
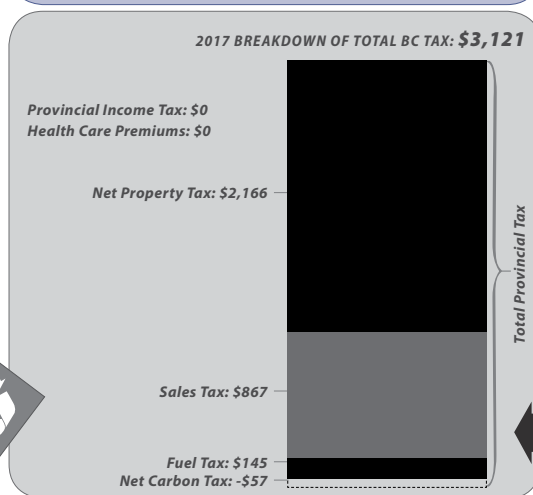


For More Information



Budget 2017 Details:
www.bcbudget.ca

Ministry of Finance:
www.gov.bc.ca/fin



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