

BUILDING A BETTER B.C.

Budget 2017 Update



The Budget 2017 Update represents a new vision for British Columbia. This balanced budget update includes choices that make life more affordable and improve services for everyone in our province. With this shift in focus, our government is investing in the people that keep our economy innovative and growing.

British Columbia's economic outlook is positive. To maintain that positive economic outlook we have to build on our strong foundation. This foundation starts with the people of British Columbia. By making investments that address poverty, education, health care, and environmental sustainability we are helping everyone benefit from economic growth. The targeted investments in Budget 2017 Update support the people that build our economy so we can maintain long-term, sustainable growth.

This balanced budget strengthens our economy by investing in people.

We're putting people first by improving the services they need and making their lives more affordable.

Investing in people means we're investing in a strong, sustainable British Columbia that provides good jobs across our province.

These choices are the first steps our government is making towards building a better B.C.

HONOURABLE CAROLE JAMES
MINISTER OF FINANCE AND
DEPUTY PREMIER

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MAKING LIFE MORE AFFORDABLE

The **elimination of tolls** on the Port Mann and Golden Ears bridges was effective September 1st. Annual savings for a commuter who uses the Port Mann bridge five times a week equals \$1,500 a year. A commercial truck driver saves \$4,500 annually. These savings mean tens of thousands of drivers who cross these bridges every day will have more money in their pockets and more to invest in British Columbia businesses.



Effective January 1, 2018 **MSP Premiums** will be cut by 50 per cent. That saves couples up to \$900 per year, and individuals will save up to \$450 per year. These savings are our government's first step toward eliminating MSP premiums within four years. Regressive fees like MSP premiums are costly to families and costly to administer. We are also establishing the MSP Task Force to advise government on the best way to eliminate the MSP premiums and replace those revenues.



INCOME AND DISABILITY ASSISTANCE RATES

The Budget 2017 Update funds the \$100 per month increase to income and disability assistance rates announced in July of this year. The increase takes effect in October 2017 and is the first meaningful increase in 10 years. Poverty is a complex issue and we know there is more to do. Increasing the rates is an important first step to help lift vulnerable individuals and families out of poverty and make B.C. a better place to live for everyone.

The first steps in government's long-term strategy to address **housing affordability and homelessness** are being made in this budget update:



- » *Over \$200 million in capital investment to help build over 1,700 affordable rental units across the province to assist low-to-moderate income renters, seniors and adults with mental health challenges or developmental disabilities.*
- » *Over \$290 million in funding over 2 years to build 2,000 new modular housing units and over \$170 million over three years to operate them and provide 24/7 staffing and support services.*

These initial investments will support the development of a comprehensive housing strategy that will partner with federal and municipal governments, First Nations, developers, and not-for-profit associations to improve housing affordability.

IMPROVING SERVICES

For people to contribute their skills to the growing economy, it's a smart investment to provide accessible and affordable care services for the children of working families.

Budget 2017 Update provides \$20 million in 2017/18 for **new child care investments**. This funding will increase our spending on early childhood development and child care to \$330 million this year and will support over 4,000 new child care spaces.

As well, starting in September 2017, the **Healthy Kids program** will help low-income families with improved dental rates as well as expanding services covered to include hearing aids.

A new investment of \$189 million over three years through a federal-B.C. agreement will help our seniors with improved home and residential care.

These are the first steps in improving services so that more vulnerable British Columbians have opportunities to reach their full potential.

The **Residential Tenancy Branch** will receive an additional \$7 million over the next three years to make sure renters are treated fairly. With low rental vacancy rates across the province the branch needs additional resources to make sure both renters and landlords understand their rights and responsibilities. The funds will go to reducing service wait times and establishing a new compliance unit.

FENTANYL EMERGENCY

The human and social costs of the fentanyl crisis continue to grow as more lives are lost to preventable opioid overdoses. Our government is working on a broad strategy to improve mental health and addictions services. Funding for that strategy starts in this budget update with a \$322 million investment. This funding immediately flows to Health Authorities for prevention, early intervention, treatment, and recovery efforts. The investment also supports the new Ministry of Mental Health and Addictions and gives additional resources to the Ministry of Public Safety and Solicitor General to help deal with this crisis.



KINDERGARTEN TO GRADE 12

Our Kindergarten to Grade 12 education system is a fundamental service that needs sustained investment to help your children succeed. With the \$681 million increase to the Ministry of Education budget over the next three years, the Province is making sure our schools are built for success. The funding allows for hiring 3,500 more teachers, and there are capital investments to build the space required for new teachers and students. This investment means that when your children go to school they have the teachers and supports they need.



BUILDING A STRONG, SUSTAINABLE ECONOMY

Investments in people are investments in a sustainable economy. That's why restoring free tuition for **Adult Basic Education and English Language Learning** will help people improve their skills to access opportunities. The Budget 2017 Update adds \$19 million to the Ministry of Advanced Education and Skills Training to remove financial barriers for skills upgrading.

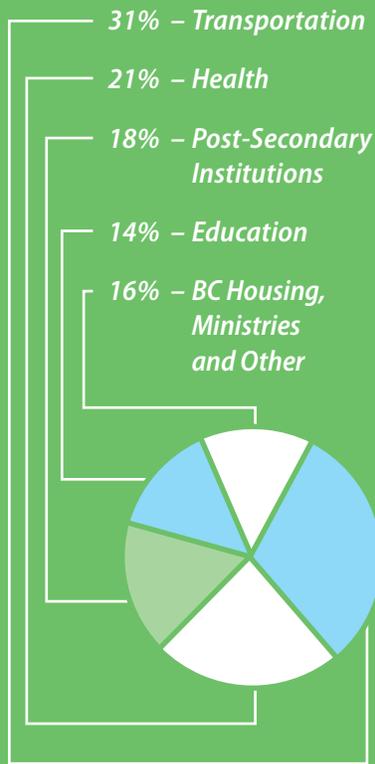
B.C. WILDFIRES

This year B.C. experienced the worst wildfire season in the province's history, consuming more than a million hectares of forest. As we help affected communities with the recovery process by providing \$100 million in support, we're assisting with future wildfire response with \$15 million to upgrade wildfire infrastructure, including buildings, trailers, and air tanker bases. As well, this budget is investing \$140 million to protect communities from wildfire with projects focused on wildfire risk reduction, reforestation, wildlife habitat restoration, and raising awareness through the Fire Smart program.

INFRASTRUCTURE SPENDING

Three-year taxpayer-supported capital spending:

\$14.6 Billion



Small businesses are a critical part of B.C.'s economy, providing jobs across the province and adding to our long-term growth. We're further supporting small businesses by **lowering the small business corporate income tax rate from 2.5% to 2%**. This allows business owners to reinvest those dollars, create more jobs and continue to grow their businesses. With this change, B.C.'s small business rate is second-lowest in Canada.

The government is also **phasing out the PST on electricity for business** to help keep businesses competitive so they can create good jobs across B.C.

All people receiving social assistance will have their **earnings exemption increased** by \$200 month with the Budget 2017 Update. This increase will help those receiving assistance by allowing them to earn additional money to support re-entry into the workforce. It is a first step towards a comprehensive poverty reduction plan.

Government is also committing **\$5 million** for three initiatives that will help lay the foundation for a made-in-B.C. path to a modern economy underpinned by equity and sustainable job growth:

- » *A newly appointed Innovation Commissioner will champion innovation in the technology sector.*
- » *The Emerging Economy Task Force will look at how to capitalize on the changing nature of business over the next 10 to 25 years.*
- » *The Fair Wages Commission will help with B.C.'s transition to a \$15 per hour minimum wage.*

The budget increases the carbon tax by \$5 per tonne, starting April 1, 2018 while also increasing the climate action tax credit to help low and middle income families. We're also ending the requirement for the carbon tax to be revenue neutral, so we can use carbon tax revenue to support families and fund green initiatives to address our climate action commitments.

For more information visit us online.



Budget 2017 Details:
www.bcbudget.ca

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