



BUDGET 2018

WORKING FOR YOU



British Columbia is thriving. Our economy is strong and we've seen record-level employment growth. But strong economic indicators don't tell the whole story. Not everyone in B.C. is getting ahead, and it's time that changed.

Budget 2018 is a budget that works for you. It makes your life more affordable and delivers the services that people count on. It starts with moving forward on a made-in-B.C. child care plan that will make child care more affordable and available for tens of thousands of families. It takes bold steps to tackle housing affordability with a new tax on foreign and domestic housing speculators, an historic investment in housing supply and plans to shut down tax loopholes and money laundering in our housing market.

Budgets are about choices and Budget 2018 puts people first. It is about investing in education and training so people have the skills they need to get good paying jobs. It is about building critical infrastructure that leads to sustainable economic growth, with the highest level of capital investment in B.C.'s history.

An economy that works for everyone starts with a budget that works for everyone. Budget 2018 helps people get ahead because we believe all British Columbians should have the opportunity to reach their full potential.

HONOURABLE CAROLE JAMES
MINISTER OF FINANCE AND DEPUTY PREMIER

HOMES FOR B.C.

Budget 2018 introduces B.C.'s first **comprehensive housing plan** focused on tackling speculation, curbing demand, increasing housing supply and improving security for renters. Our plan will start to ease B.C.'s housing affordability challenges with targeted tax changes, including:

- » Creating a new speculation tax on those distorting British Columbia's housing market. The tax will target foreign and domestic speculators who don't pay taxes here, including those who leave their units sitting vacant. This will include satellite families.
- » Increasing and expanding the foreign buyers tax, so foreign buyers contribute more for the high quality of life they enjoy when they move to our province.
- » Stabilizing the housing market by increasing the property transfer tax and the school tax on the wealthiest homeowners who buy or own homes valued higher than \$3 million.
- » Taking action to reduce tax fraud and close loopholes. We are strengthening tax administrators' audit and enforcement powers to help close information gaps and ensure tax compliance.
 - Moving to stop tax evasion in pre-sale condo reassignments.
 - Taking action to end hidden ownership.
 - Strengthening provincial auditing and enforcement powers.

Our housing plan includes actions to build the homes people need and improve security for renters, including:

- » Investing more than \$6 billion over 10 years in affordable housing, including homes for growing families, homes for seniors, housing options for women and children fleeing violence, and student housing. This is the largest investment in housing in B.C.'s history.
- » Increasing rental assistance so that payments to low-income working families will increase by an average of \$800 per year and payments to seniors will increase by an average of \$930 per year, helping over 35,000 households make their rent more affordable.

- » Increasing supports for renters, strengthening rental laws, upgrading existing affordable housing, and enhancing protections for owners of manufactured homes.
- » Creating the new HousingHub through BC Housing to build partnerships and affordable homes where people need them most.

For more information, visit:
www.bcbudget.gov.bc.ca

TAXES ON SPECULATORS AND FOREIGN BUYERS



○ **SPECULATION TAX.** A new tax on foreign and domestic speculators. It will apply in Metro Vancouver, Fraser Valley, Capital and Nanaimo Regional Districts, and the municipalities of Kelowna and West Kelowna.

● **FOREIGN BUYERS TAX.** Increase to 20% from 15% effective February 21, 2018. It will continue to apply in Metro Vancouver, and will be expanded to the Fraser Valley, Central Okanagan and Nanaimo and Capital Regional Districts.

CHILD CARE B.C.

People are struggling to find affordable, quality child care in their communities. Businesses are finding it challenging to attract and retain employees because parents can't go back to work without someone to look after their kids. Making sure child care is affordable is good for families and it is good for our economy. For more information, visit: www.bcbudget.gov.bc.ca

BUDGET 2018 INVESTS MORE THAN \$1 BILLION IN CHILD CARE AND EARLY LEARNING OVER THREE YEARS.

Your government is establishing a made-in-B.C. universal child care plan. The plan will help build a quality child care system that is affordable and accessible, starting with:

- » A new affordable child care benefit that will provide up to 86,000 families across B.C. with up to \$1,250 per month in child care cost relief by 2020.
- » A new child care fee reduction program that will benefit up to 50,000 families. Starting on April 1, 2018, parents with children in participating licensed care will be eligible for the following fee reductions:
 - Up to \$350/month for group infant/toddler care;
 - Up to \$200/month for family infant/toddler care;
 - Up to \$100/month for group care for children aged 3-5; and
 - Up to \$60/month for family care for children aged 3-5.
- » The creation of more than 22,000 new licensed child care spaces throughout the province, and incentives for licensed service providers to offer child care outside of standard business hours.
- » Boosting the supply of Early Childhood Educators to meet growing demand and rising quality standards.



SINGLE PARENT WITH AN INFANT
Earning up to \$45,000

PAYING: \$1,250/MONTH

SAVINGS UNDER CHILD CARE B.C.:

- » \$350 through Child Care Fee Reduction Program
- » \$900 through Affordable Child Care Benefit

Total benefits under Child Care B.C. **\$1,250**

Cost of licensed child care beginning in September 2018:

\$0 /month



TWO-PARENT FAMILY WITH AN INFANT AND A THREE YEAR OLD
Earning \$74,000

PAYING: \$2,050/MONTH

SAVINGS UNDER CHILD CARE B.C.:

- » \$450 through Child Care Fee Reduction Program
- » \$1,492.40 through Affordable Child Care Benefit

Total benefits under Child Care B.C. **\$1,942.40**

Estimated cost of licensed child care beginning in 2020:

\$107.60 /month

MAKING LIFE MORE AFFORDABLE

Our vision is for an economy that works for everyone. This starts with a budget that works for people.

In September's Budget 2017 Update, we took important steps to help make life more affordable by investing in areas like affordable housing, increasing income assistance and disability rates, and introducing a plan to increase the minimum wage to \$15/hour. With Budget 2018, we are continuing to make choices that work for the people of our province.

ELIMINATION OF MEDICAL SERVICES PLAN (MSP) PREMIUMS

» Starting Jan. 1, 2018, MSP premiums were cut in half, saving individuals up to \$450 per year, and families up to \$900 per year. With Budget 2018, we are announcing the **elimination of MEDICAL SERVICES PLAN (MSP) PREMIUMS**, effective Jan. 1, 2020.

MSP premiums are regressive, unfair and difficult to administer. British Columbians are the only people in Canada that have to pay these unfair fees. Including the 50% reduction, fully eliminating MSP premiums will mean families will save up to \$1,800 per year, and individuals up to \$900 per year.

- To help fund the elimination of MSP premiums, we are introducing an employer health tax.
- Small businesses with payrolls less than \$500,000 will not pay any employer health tax.
- Businesses with payrolls between \$500,000 and \$1.5 million will benefit from a reduced rate.
- Businesses with payrolls over \$1.5 million will pay the full rate of 1.95%.



FULLY ELIMINATING MSP PREMIUMS

Effective Jan. 1, 2020



TWO-PARENT FAMILY WITH TWO CHILDREN

FULL PREMIUMS: \$1,800/PER YEAR

Cost once **MSP PREMIUMS ARE FULLY ELIMINATED** (as of Jan. 1, 2020):

\$0 /month



INDIVIDUALS

FULL PREMIUMS: \$900/PER YEAR

Cost once **MSP PREMIUMS ARE FULLY ELIMINATED** (as of Jan. 1, 2020):

\$0 /month

BC FERRIES

Budget 2018 delivers on government's commitment to make ferries more affordable. Ferry costs have skyrocketed, putting coastal communities at a disadvantage that is costly and unfair. Businesses that use ferries to transport goods are feeling the pinch too.

That's why we are:

- » Freezing ferry fares on all three major routes;
- » Rolling back fares on small routes by 15%; and
- » Restoring the Monday-Thursday 100% fare discount rate for senior passengers.

B.C.'s ferries are part of our highway system, and they should be affordable.



- » **Over 100,000 people** receiving disability assistance will benefit from the restoration of their **free bus passes or a monthly transportation supplement**. Travelling in their communities and accessing services they need will be a little easier and a lot more affordable for them with a \$214 million investment over three years.
- » We are working to improve taxpayer fairness in B.C. Starting April 1, 2018, we're **increasing PST on luxury vehicles**, and using the revenue to help pay for better services for British Columbians.

BRINGING DOWN THE COST OF PRESCRIPTION DRUGS

- » People shouldn't have to choose between paying for their medications and putting food on the table. For many, the cost of prescription drugs and medical supplies has put serious strains on household budgets. The \$105 million investment in the **FAIR PHARMACARE** program will expand coverage for 240,000 B.C. families.
- » All families with household net incomes under \$45,000 will benefit from this investment.
- » Deductibles will also be eliminated entirely for families with net annual incomes between \$15,000 and \$30,000.



240,000 B.C. FAMILIES BENEFIT



DEDUCTIBLES ELIMINATED

- » Families with net incomes below \$30,000.

DEDUCTIBLES REDUCED

- » Families with net incomes below \$45,000.

DELIVERING THE SERVICES PEOPLE COUNT ON

British Columbians deserve services they can depend on. Whether that's ensuring healthcare for a loved one, securing education for their kids or keeping communities safe people need access to quality services. Quality services can mean the difference between getting support for addiction or mental health challenges or suffering alone. They can mean the difference between getting help with learning English and integrating into the community, or struggling to learn alone and remaining isolated.

That's why we took immediate steps in the Budget 2017 Update to improve services and address some of people's most pressing needs. With Budget 2018, we are continuing to invest in the quality, reliable services people need.

- » Too many British Columbia families are losing loved ones because of the overdose crisis. First responders, health care professionals and community organizations are doing all they can to turn the corner on this crisis – but they need help. That's why, last year, your government created a standalone **Ministry of Mental Health and Addictions** and invested \$322 million over the next three years. This year we will help move B.C. from a focus on emergency response to a more integrated, proactive and preventive approach that helps people when and where they need it.
- » In September, we removed tuition fees for youth formerly in care, as well as for adult and English language learners. Building on our commitment to help youth in care, Budget 2018 provides \$30 million to increase financial support under the **Agreements with Young Adults** program. This program is critical for many of our young people aging out of care, helping them with rent, groceries and career advice. This support will help more than 800 former youth in care.
- » We are taking action to get you the healthcare you need. That's why we are investing \$150 million over three years to **expand coverage of primary care providers** and access to team-based care to those not currently not being well-served.

» Seniors deserve to live full lives, without having to worry about the cost of housing or the quality of care in assisted living facilities. Budget 2018 provides help for seniors:

- 22,000 low-income seniors will benefit from investments to the rental assistance program known as SAFER - **SHELTER AID FOR ELDERLY RENTERS**. This \$58 million investment over three years will increase the amount a SAFER recipient receives by an average of \$930 per year.
- A \$548 million investment over three years will mean better residential care for seniors and **MORE QUALIFIED SUPPORT STAFF** in assisted living facilities. This will help ensure our seniors, parents and grandparents are treated with dignity and respect.



» In the Budget 2017 Update, we made an historic investment in education to give kids the classrooms they need to thrive. Budget 2018 continues investing in our kids with \$72 million in funding to hire additional teachers, bringing the total new teachers added under the **CLASSROOM ENHANCEMENT FUND** to 3,700. Our schools will get a boost from an additional \$2 billion over three years that will help maintain, replace, renovate or **expand schools** across the province.

 **+ 3,700**
NEW TEACHERS

THE FIRST STEPS TO ADDRESSING RECONCILIATION

- » British Columbia is committed to working with Indigenous Peoples to build true and lasting reconciliation, anchored by our commitments under the United Nations Declaration on the Rights of Indigenous peoples.

Every Ministry in government has been given a responsibility for adopting and implementing the Declaration. Addressing reconciliation is a shared responsibility and Budget 2018 takes first steps on this path.

- » Our province is rich in natural beauty, and for generations B.C. parks and campsites have been a favourite destination for B.C. families and tourists to enjoy.

- To keep that tradition alive, we're expanding **BC PARKS CAMPSITES** with \$5 million over three years.



- Budget 2018 also invests in **PROTECTING B.C.'S WILDLIFE** with an investment of \$14 million over three years to revitalize B.C.'s wildlife management initiative.



- \$9 million to cover operating pressure for **CONSERVATION OFFICER SERVICES**.



An historic **\$50 MILLION** investment to support Indigenous communities seeking to revitalize **CONNECTIONS TO THEIR LANGUAGES**;



\$158 MILLION in partnership with **INDIGENOUS HOUSING SOCIETIES AND FIRST NATIONS** to build and support 1,750 units to address housing needs of Indigenous peoples;



\$6 MILLION over three years for **ABORIGINAL FRIENDSHIP CENTRES**, to support stable funding for continued outreach to Aboriginal people living both on and off reserve;



\$16 MILLION over two years to the First Nations Health Authority to support **MENTAL HEALTH AND WELLNESS** in Indigenous communities;



Investing in expanding the **HEAD START PROGRAM**, both on and off reserve, in partnership with the federal government;



\$30 MILLION over three years for the **INDIGENOUS SKILLS TRAINING DEVELOPMENT FUND**, supporting programs such as computer literacy and safety training; and



The creation of a new **INDIGENOUS LAW PROGRAM** at the University of Victoria.

BUILDING A STRONG, SUSTAINABLE ECONOMY

Your government is working to build a strong economy in every corner of our province, where small businesses thrive, workers have well-paying jobs, and people have the opportunity to reach their full potential. B.C. is an economic leader in Canada and is recognized for its fiscal stability and triple-A credit rating. In 2017, employment grew faster than any other part of Canada, and retail sales, housing starts and exports exceeded all expectations.

In the Budget 2017 Update, we immediately helped businesses by cutting the small business income tax rate and reducing the PST on electricity for businesses.

Budget 2018 continues to support businesses by investing in the people who are helping to build B.C.'s strong economy.

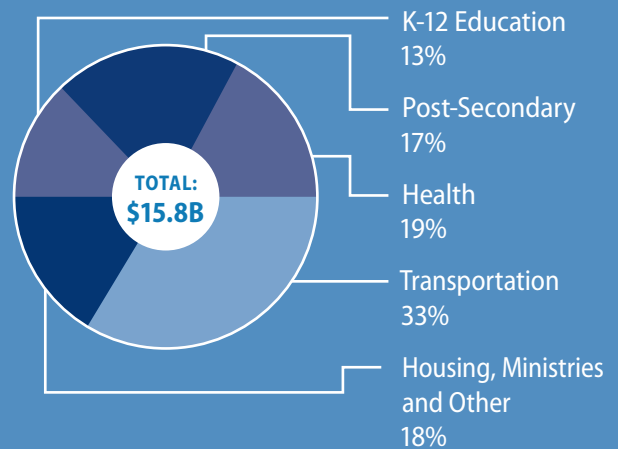
» **Capital investments** support our strong economy by providing jobs during construction, and much-needed infrastructure in our communities. The construction of these schools, roads, health facilities, post-secondary institutions and other investments will support over **50,000 direct and indirect jobs** during construction. For example:

- Replacing the Pattullo Bridge with a new four-lane bridge.
- Replacing Handsworth Secondary School in North Vancouver.
- Partnering with post-secondary institutions to deliver 5,000 new student housing spaces on campuses.

» **Investing in skills training** means investing in the people that drive economic growth:

- Adding \$19 million annually to help give people opportunities by making Adult Basic Education and English Language Learning free.
- Boosting computer sciences, information technology and engineering with an \$11-million investment in our colleges, universities and vocational institutes.
- Investing almost \$9 million to help newcomers adjust to their new lives in our province.

» We are making the largest capital investment in B.C. history. Capital spending totals \$15.8 billion over three years on schools, hospitals, post-secondary facilities, roads, and bridges.



- » B.C.'s agriculture sector exports across the country and around the world creating jobs and contributing to our economy. Budget 2018 invests \$29 million over three years in the **Grow BC, Feed BC, Buy BC program** to expand local marketing efforts and improve brand recognition of B.C. products overseas.
- » The 2017 wildfire season was unprecedented, with 65,000 people displaced from B.C. communities. To help support the businesses and communities impacted by wildfires, we're investing a further \$72 million in community resilience and recovery, and rural development.

The budget is balanced and we have a prudent fiscal plan. Our historic investments in people and services support a strong and growing economy.

Budget 2018 has a projected surplus of \$219 million and several levels of prudence through a forecast allowance of \$350 million and contingencies of \$550 million in 2018-19.

FOR MORE INFORMATION

Budget 2018 Details: www.bcbudget.ca

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

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