

# A Strong Foundation for B.C.'s Future

## BUDGET 2011 HIGHLIGHTS

### A Track Record of Success



B.C. has been one of the strongest economic performers in Canada. New leadership will set the course for the decade ahead, building on an enviable record of job creation, economic growth and regulatory reform.

Budget 2011 stays the course, keeping the focus of protecting health care, education and social services as British Columbia moves towards balanced budgets beginning again in 2013. This budget sets no new directions, but provides a strong foundation for future leadership to build on. As the world finds its way out of a significant economic downturn, the Province is well prepared to make the most of new opportunities for job creation and business expansion.

Temporary deficits in tougher times allowed the Province to maintain services while creating tens of thousands of jobs without reducing spending on priority programs. But as the world economy starts to improve, the provincial government is on course to eliminate the deficit and protect its strong credit rating.

*British Columbia has continued, through difficult times, to enjoy a:*



As we emerge from the economic downturn, government continues to be conservative in its forecast of economic growth. But independent economists are even more optimistic that B.C.'s economic growth is back on track.

*We've come through a seismic shift in the global economy and we are emerging much stronger than other places around the world. Business and consumer confidence are growing. We have a solid foundation for job creation, business development and improvements in health care, education and social services. B.C.'s future looks bright.*



HONOURABLE COLIN HANSEN  
MINISTER OF FINANCE



*British Columbia has one of the lowest taxpayer-supported debt-to-GDP ratios in Canada. Even in tough economic times the government has protected future generations from the burden of excessive debt.*

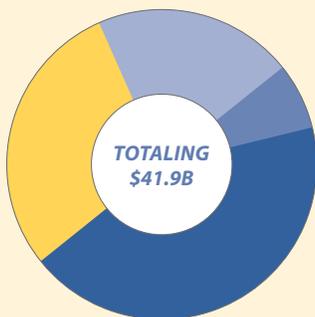
## **Prudent Management**

Keeping public debt under control will position B.C. to return to balanced budgets more quickly than other provinces. Through prudent fiscal management, the Government of British Columbia has established a strong financial foundation on which to build our future.

## **Support for Vital Public Services**

With Budget 2011, we continue a strong record of supporting families and communities. Over the past decade we have invested in the services that matter most to British Columbians.

### **INVESTING IN PRIORITIES**



- HEALTH – \$17.5B (42%)
- EDUCATION – \$11.3B (27%)
- SOCIAL SERVICES – \$3.4B (8%)
- ALL OTHER – \$9.7B (23%)

» Health care spending has been targeted to delivering better health outcomes, giving us one of the best health care systems in the country. We're allocating an additional \$605 million for health care in 2013, for a total increase of almost \$2 billion compared to 2010.

» We're investing over \$24 million in K-12 education every school day. Per-pupil funding will reach \$8,357 by 2011/12 — the highest in B.C. history. In September, full day kindergarten will be available to every five-year old. And we have 316 StrongStart BC Centres across the province.

» The Ministry of Social Development will receive an additional \$65 million over three years to provide for income assistance to individuals and families in need.

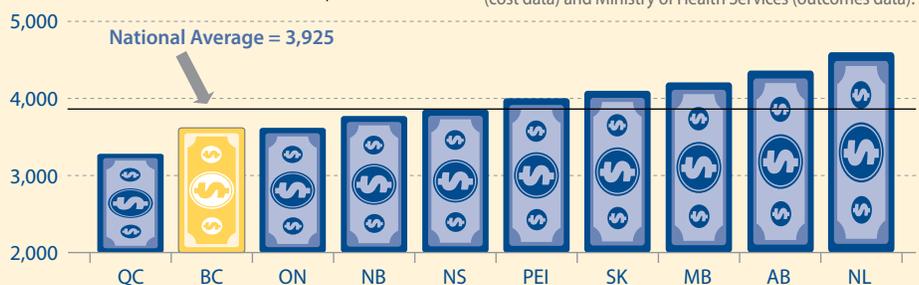
## **BRITISH COLUMBIA HAS THE BEST HEALTH OUTCOMES IN CANADA**

### **SECOND LOWEST PER CAPITA SPENDING:**

- » Highest average life expectancy in Canada;
- » Best cancer and heart disease outcomes (mortality rates) in Canada; and
- » Second lowest infant mortality in Canada.

*Health Care Costs Per Capita (\$)*

Source: Canadian Institute for Health Information, 2010 (cost data) and Ministry of Health Services (outcomes data).



## Giving B.C. the Competitive Edge

Over the past decade, we've taken steps to ensure British Columbia is one of the best places to live, do business and connect with world markets.

We've reduced the corporate income tax rate five times, and by nearly 40 per cent since 2001. We now have, along with Alberta, the lowest general corporate income tax rate in Canada. B.C. also has the lowest provincial personal income taxes in Canada for individuals earning up to \$119,000 annually. Since 2001, most British Columbians have had their personal income taxes reduced by at least 37 per cent. Provincial income tax rates are significantly lower than they were a decade ago.



The government is committed to keeping B.C. tax rates competitive. That's the edge we need to create new businesses and strengthen British Columbia's traditional resource industries. The forest industry is returning to profitability. Mining companies spent over \$320 million on exploration last year. That represents the third-highest total in the province's history and a 109 per cent increase over 2009. To compare, mining exploration expenditures were only \$25 million in 1999.

## Leading Forecasters Expect Steady Economic Growth

We've outpaced many other parts of the world during the economic downturn, but government is determined to improve economic performance in the decade ahead.

The independent Economic Forecast Council says growth rates should approach historical levels in the years to come. The council's forecast for 2011 is 2.7 per cent growth, improving to 3.0 per cent in 2012.

*Keeping taxes low is an essential part of our plan to encourage job creation, attract new investment and keep our economy moving forward.*



*The Government of British Columbia has always been committed to building a stronger, more competitive economy. With new jobs, investment and economic growth, B.C.'s potential opportunities are incomparable.*



*Take home pay has improved. In the decade of the 1990s, we saw real take home pay decline, but in the last decade, we have seen significant growth in real disposable income for the average British Columbian.*

For more Budget 2011 details please visit:  
[www.bcbudget.ca](http://www.bcbudget.ca)

Ministry of Finance  
[www.gov.bc.ca/fin](http://www.gov.bc.ca/fin)

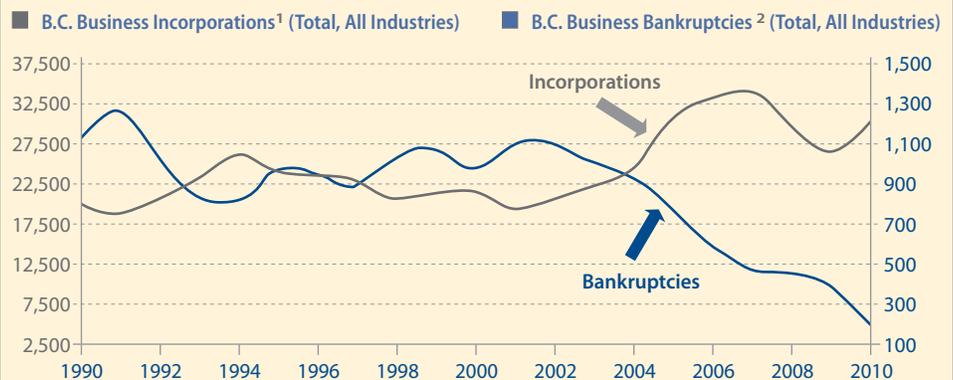


The Best Place on Earth

## Ten Years of Success

- » Since November 2004, B.C. has received seven credit rating upgrades.
- » Since 2001, capital spending on infrastructure totalled more than \$45 billion, including:
  - approximately \$7 billion for health facilities, equipment and systems;
  - another \$7 billion for post-secondary education facilities;
  - almost \$4 billion for schools in the K-12 system; and
  - nearly \$8 billion for transportation projects, including transit.
- » Most British Columbians have had their personal income taxes reduced by 37 per cent or more. An additional 325,000 people no longer pay any British Columbia income tax.
- » B.C. has among the best health outcomes in Canada, including the highest life expectancy, and the lowest death rates from heart disease and cancer.
- » Since 2000, public school funding increased by over \$1.4 billion. In 2011/12, per-pupil funding will be B.C.'s highest — 33 per cent higher than 10 years ago.
- » Private sector investment has grown by an annual average of 4.4 per cent.
- » Growth in B.C.'s GDP has, in most years, outperformed the Canadian average.

### BRITISH COLUMBIA BUSINESS TRENDS REMAIN POSITIVE



(<sup>1</sup> Ministry of Finance estimate for incorporations between 1990 to 1995.) (<sup>2</sup> Bankruptcies are year-to-date to October 2010.)

