

Reinforcing Economic Growth & Job Creation

BALANCED BUDGET 2014 HIGHLIGHTS

SUCCESSIVE BALANCED BUDGETS FOR B.C.

B.C. is forecast to end fiscal year 2013–14 with a surplus of \$175 million, and Budget 2014 forecasts surpluses in all three years of the fiscal plan, totalling \$841 million. We have stayed true to the principle that government should not spend more money than taxpayers provide. Despite ongoing fiscal discipline, modest surpluses allow for choices and new spending that:

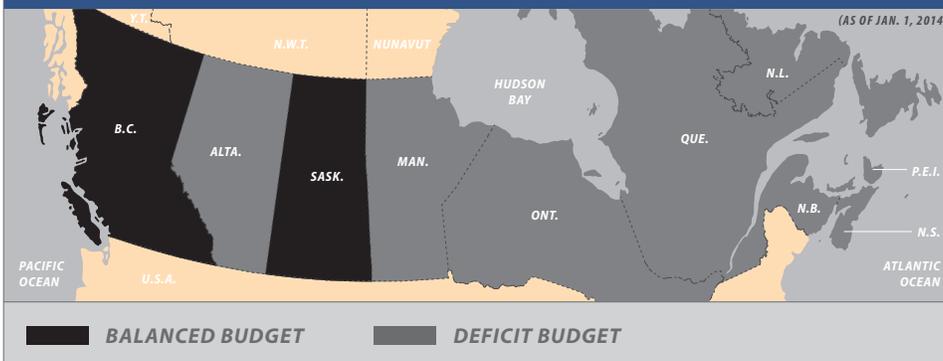
- » Fosters growth in jobs and investment;
- » Helps families plan and build for the future; and
- » Strengthens support for individuals and families most in need.

B.C. has demonstrated that with hard work, due diligence and fiscal discipline, it is possible to achieve something that few other jurisdictions in Canada can claim to have today: a balanced budget. British Columbia is now in the enviable position of having a balanced budget this year and in all three coming years of our fiscal plan.

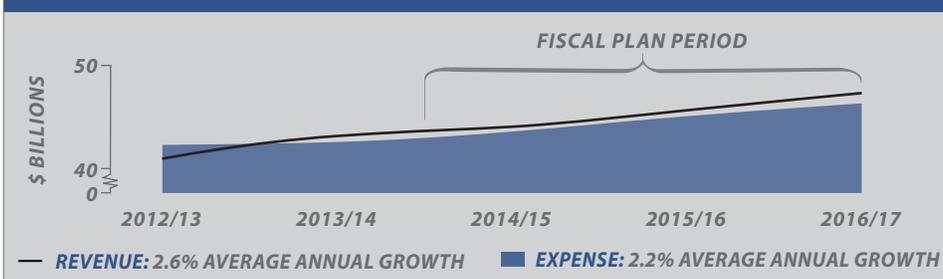


HONOURABLE
MICHAEL DE JONG, Q.C.
MINISTER OF FINANCE

CROSS CANADA DEFICITS



MAINTAINING A BALANCED BUDGET





SOLD



**SAVINGS FOR
FIRST-TIME
HOME BUYERS**

Many British Columbians buying their first home will pay less Property Transfer Tax. The B.C. government is increasing the threshold for the first-time home buyers program to \$475,000 from \$425,000, an exemption that can save the purchaser up to \$7,500 when buying their first home.

FISCAL DISCIPLINE PAYS OFF FOR B.C. NEW INVESTMENTS FOR COMMUNITIES

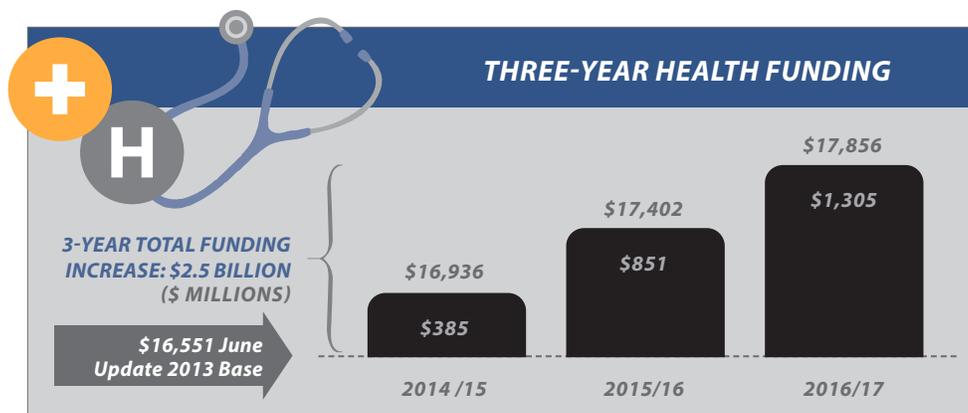
Within the balanced budget, government is providing \$350 million in new, additional funding over three years to support families, individuals and community safety, including:

- » \$243 million to maintain existing services for adults with developmental disabilities and their families;
- » \$15 million for children and youth with special needs;
- » \$15 million for increased RCMP policing costs; and
- » \$6 million for legal aid-related services.

HEALTH-CARE

Budget 2014 confirms government's ongoing commitment to protect health care, with the Ministry of Health budget increasing by \$2.5 billion over the course of the fiscal plan, an annual average growth rate of 2.6 per cent. By 2016–17, total health-care spending will reach \$19.6 billion — more than 42 per cent of all government spending.

B.C. continues to achieve key health outcomes that lead the country while maintaining the second-lowest rate of health spending per capita among provinces. According to the most recent data, B.C. ranks best in terms of life expectancy, cancer mortality and mortality related to heart disease.



B.C. EARLY YEARS STRATEGY — MAKING PROGRESS

PROVINCIAL OFFICE NOW OPEN

The B.C. Early Years Strategy is an eight-year government commitment to improve the accessibility, affordability, and quality of early-years programs and services for families with young children. Budget 2013 committed \$76 million to support the first three years of the strategy. Priorities for 2013–14 include:

- » Identifying up to five early years centre sites;
- » Informing eligible parents about the B.C. Early Childhood Tax Benefit;
- » Launching a bursary program for students in Early Childhood Educator training programs; and
- » Expanding professional development opportunities for licensed group and family child care providers.

In 2014–15, funding of \$17.7 million will support creation of up to 1,000 new licensed child care spaces, with an emphasis on spaces located on school grounds and in areas underserved by child care. The funding will also support the creation of a provincial child care registry, and the expansion of the Early Years concept. The B.C. Early Years Strategy builds on the \$1 billion per year government spends on early learning and childhood development initiatives, services and supports.

LEARNING IMPROVEMENT FUND INCREASES

The Learning Improvement Fund (LIF) adds resources for vulnerable learners, and is allocated in consultation with educators so funding can be targeted to where it will be most effective. In 2014–15 the LIF increases to \$75 million annually from \$60 million in 2013–14. Examples of 2013–14 funding include:

- » \$40 million for teachers;
- » \$13 million for special education assistants; and
- » \$1.4 million for teacher professional development.



BRITISH COLUMBIA EARLY CHILDHOOD TAX BENEFIT

With Balanced Budget 2014, government introduced legislation to implement the new B.C. Early Childhood Tax Benefit. Starting in April 2015, the benefit will provide \$146 million annually to approximately 180,000 B.C. families with children under the age of six (up to \$55 a month per eligible child). About 90 per cent of B.C. families with young children will be eligible.



B.C. TRAINING AND EDUCATION SAVINGS GRANT UPDATE

For children born on or after January 1, 2007, the B.C. Training and Education Savings Grant provides a one-time \$1,200 grant towards a Registered Education Savings Plan after the child turns six years old. About 40,000 children are eligible each year.



ECONOMIC STRENGTH

Private sector economists are forecasting the province of British Columbia to have among the strongest economies in the country over the next couple of years.

*HON. MICHAEL DE JONG, Q.C.
MINISTER OF FINANCE*

\$11 BILLION IN TAXPAYER-SUPPORTED CAPITAL PROJECTS

GOVERNMENT IS INVESTING \$11 BILLION IN TAXPAYER-SUPPORTED CAPITAL PROJECTS OVER THE NEXT THREE YEARS, INCLUDING:

- » \$3.4 billion for transportation investments;
- » \$2.3 billion for capital spending by post-secondary institutions across B.C.;
- » \$1.5 billion to maintain, replace, renovate or expand K–12 facilities; and
- » \$2.6 billion on health-sector infrastructure.

TAXPAYER-SUPPORTED CAPITAL PROJECTS INCLUDE:

- » Seismic upgrades to Lord Strathcona Elementary in Vancouver and École Phoenix Middle School in Campbell River;
- » New Mar Jok Elementary School in West Kelowna;
- » Redevelopment of Children’s and Women’s Hospital to include a new acute care centre;
- » New Surrey Memorial Hospital emergency department and critical care tower;
- » Two new hospitals (one in Courtenay/Comox and one in Campbell River) to replace existing North Island hospitals;
- » New clinical services building for Royal Inland Hospital in Kamloops;
- » Okanagan Valley corridor and Cariboo connector programs;
- » George Massey Tunnel replacement project; and
- » University Hospital of Northern BC.

B.C. TO BE AMONG TOP ECONOMIC PERFORMERS

On average, B.C. Economic Forecast Council members expect the province's economic growth to be higher than the national rate in 2015 and beyond.

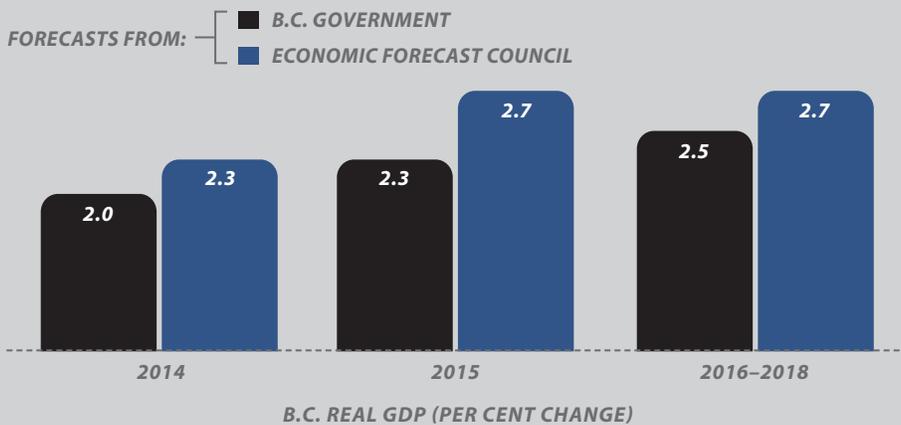
The Economic Forecast Council includes some of the most respected independent economic forecasters in Canada. The 13-member council's mandate, as determined by the Budget Transparency and Accountability Act, is to provide economic advice to the Finance Minister in developing each year's budget and fiscal plan.



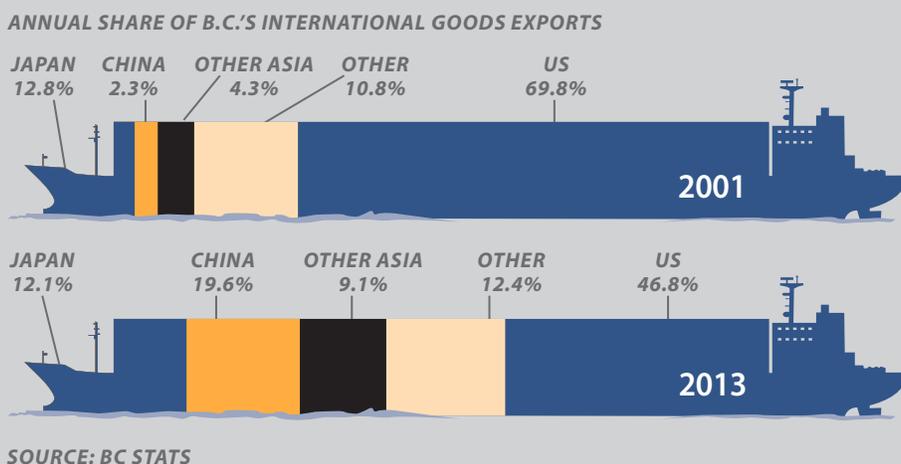
ECONOMIC STABILITY DIVIDEND — PUBLIC SECTOR COMPENSATION

The Economic Forecast Council's forecast for provincial real GDP growth takes on new significance with Budget 2014. Government's Economic Stability Mandate offers employees the opportunity to benefit from B.C.'s economic growth through the Economic Stability Dividend. Under this agreement, employees will receive a wage increase equal to half of any percentage-point gain in real GDP growth above the Economic Forecast Council's forecast published in the February budgets.

BRITISH COLUMBIA'S ECONOMIC GROWTH OUTLOOK



OVER 40 PER CENT OF B.C.'S EXPORTS NOW GO TO ASIA



INVESTING IN B.C. AEROSPACE

Budget 2014 confirms \$5 million over five years to help attract global aerospace and defence contractors to B.C.



BRITISH COLUMBIA'S TRIPLE-A CREDIT RATING

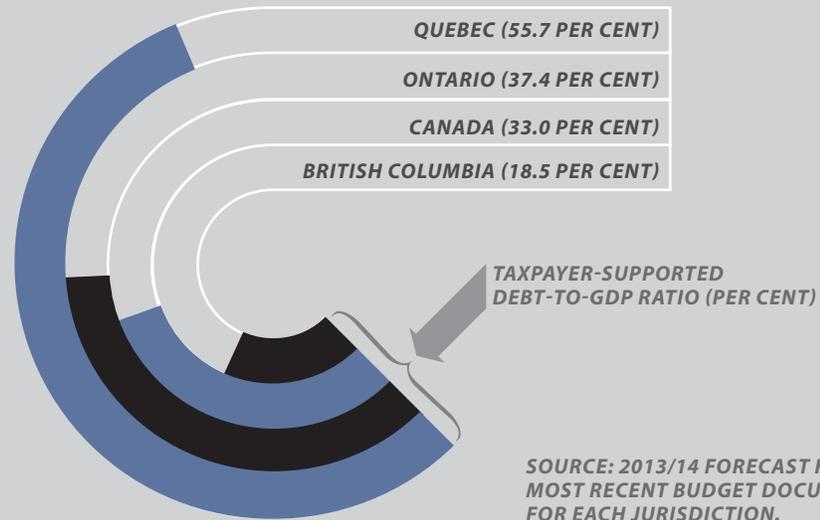
Prudent fiscal management supports British Columbia's triple-A credit rating, which allows taxpayer dollars to be spent on direct services rather than debt servicing costs.



Credit Rating

— THE HIGHEST STANDARD AVAILABLE

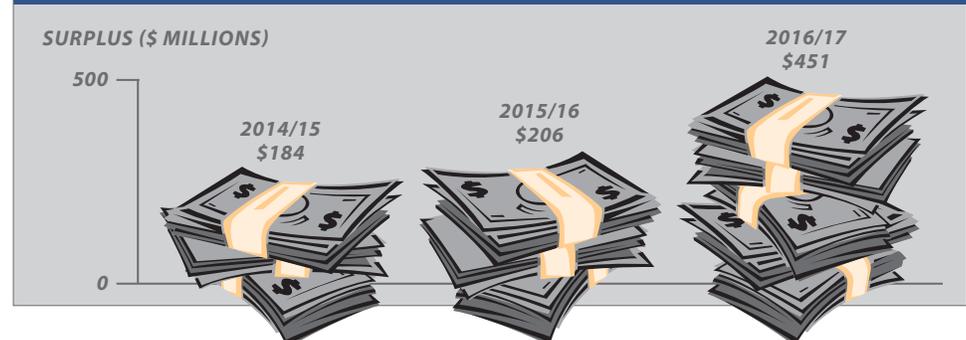
B.C.'S LOW DEBT-TO-GDP RATIO SUPPORTS AAA RATING



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

By eliminating the deficit and reducing the government's need to borrow, Balanced Budget 2014 forecasts British Columbia's taxpayer-supported debt-to-GDP ratio will peak at 18.5 per cent in 2013–14 and decline to 17.8 per cent in 2016–17. The taxpayer-supported debt-to-GDP ratio is a key measure of affordability and effectively managing this ratio helps maintain B.C.'s triple-A credit rating.

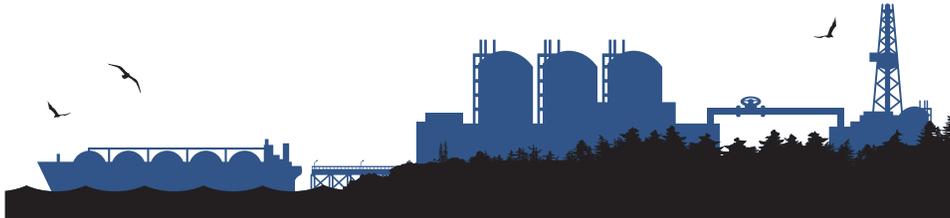
THREE YEARS OF SURPLUS BUDGETS



INVESTING IN B.C.'S LNG FUTURE

With Budget 2014, the Province is investing \$65 million for environmental and economic development initiatives, including LNG development.

- » Funding of \$29 million over three years will support the development of an LNG industry in B.C., including attracting investments to B.C. and supporting a stable environment for investment decisions; facilitating timely processing for regulatory and permitting requirements; and ensuring ongoing environmental protection, management and stewardship.
- » Funding of \$9 million over three years will support environmental assessments of resource development impacts of proposed LNG facilities and pipelines, and mining and other major projects.



INCREASING SKILLS TRAINING OPPORTUNITIES

- » The new NorKam Trades Centre of Excellence in Kamloops scheduled for completion this fall – will offer secondary students courses in areas such as mining exploration, industrial skills and construction trades training.
- » The new Alberni District Secondary opened in 2012 offering training from heavy-duty mechanics and metal fabrication, to culinary arts and hairdressing.
- » New trades training facilities at Camosun College in Victoria will support an additional 370 students in the marine, metal and mechanical trades by 2016.
- » New facilities at Okanagan College in Kelowna, which will more than double the size of the current trades training complex by 2016.
- » A new campus for Emily Carr University at Great Northern Way in Vancouver, which will include a state-of-the-art visual, media and design art facility, with a capacity for 1,800 students.



PROPOSED NEW LNG INCOME TAX

A proposed new income tax on liquefaction at LNG facilities will help ensure B.C. is competitive in attracting investment and earns a fair share of revenue for British Columbians.

A review of the tax rates and tax structure will continue until the legislation is ready in fall 2014. Global economic conditions and the supply of natural gas will be considered as we finalize the key components of the tax to ensure B.C. remains competitive.

LNG TAXATION FRAMEWORK PRINCIPLES

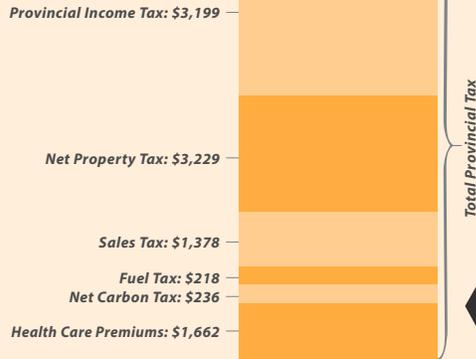
- 1 Fair Return
- 2 Competitive
- 3 Predictable
- 4 Consistent



LOW TAXES FOR BRITISH COLUMBIANS

British Columbians generally have one of the lowest overall tax burdens in Canada when all taxes are considered — including income tax, consumption tax, MSP premiums and payroll tax.

2014 BREAKDOWN OF TOTAL BC TAX: \$9,922



TWO-INCOME FAMILY OF 4
\$90,000 INCOME

2014 COMPARISON OF PROVINCIAL TAXES BY PROVINCE



2014 BREAKDOWN OF TOTAL BC TAX: \$6,739



TWO-INCOME FAMILY OF 4
\$60,000 INCOME

2014 COMPARISON OF PROVINCIAL TAXES BY PROVINCE



2014 BREAKDOWN OF TOTAL BC TAX: \$7,654



SINGLE INDIVIDUAL
\$80,000 INCOME

2014 COMPARISON OF PROVINCIAL TAXES BY PROVINCE



For More Information



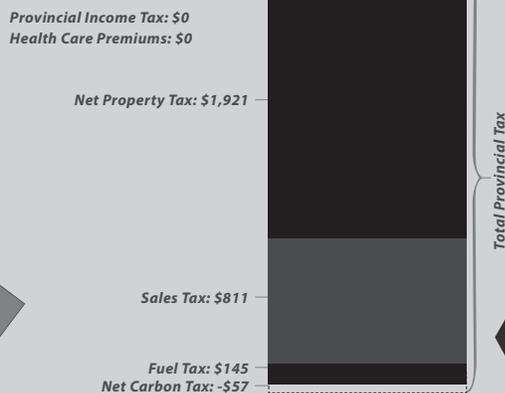
Budget 2014 Details:
www.bcbudget.ca

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

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2014 BREAKDOWN OF TOTAL BC TAX: \$2,820



SENIOR COUPLE
EQUAL PENSIONS
\$30,000 INCOME

2014 COMPARISON OF PROVINCIAL TAXES BY PROVINCE

