

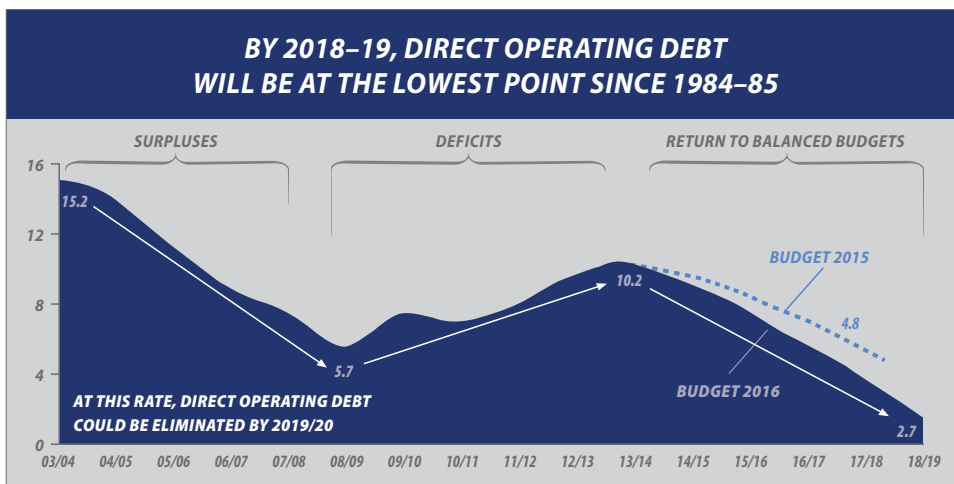
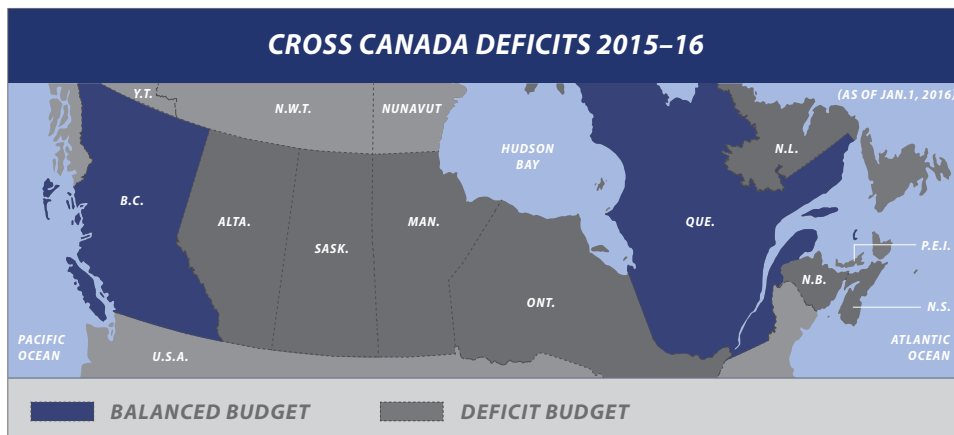
# Strong Fiscal Management Pays Dividends

## BALANCED BUDGET 2016 HIGHLIGHTS

### FOUR IN A ROW: BALANCING THE BUDGET

B.C. is forecast to end 2015–16 with a surplus of \$377 million. Budget 2016 projects modest surpluses in all three years of the fiscal plan and invests \$1.6 billion in new incremental spending over three years, plus annual increases of 3% for health care — nearly \$500 million of which is funded by lower interest costs due to the retirement of operating debt. Since 2013–14, we have reduced our direct operating debt by \$2.2 billion and by the end of the current fiscal plan, direct operating debt is projected to be at its lowest point in more than 30 years — with the possibility to be operating debt free by 2020 for the first time since 1975.

*With a track record of successive balanced budgets and steady economic growth, B.C. remains in a fiscal position envied by many jurisdictions around the world. With Budget 2016 we are providing new and increased funding for services, helping to ease the cost of living and taking new steps to address housing prices. Our commitment to strong fiscal discipline and reducing operating debt is paying dividends to the people of B.C.*



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





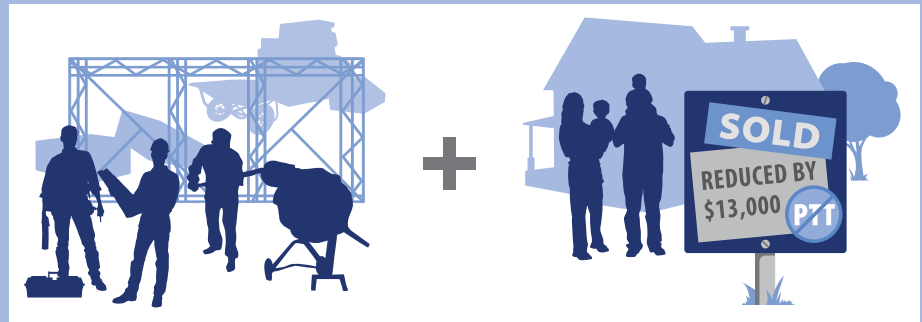
### **EXPANDED: TRAINING AND EDUCATION SAVINGS GRANT**

In 2013, we introduced the BC Training and Education Savings Program, which provides a one-time, \$1,200 grant to the Registered Education Savings Plans of eligible B.C. children born on or after Jan. 1, 2007. To help even more parents and families save early for their child's education, Budget 2016 provides \$39 million in 2015-16 to extend the program to children born on or after Jan. 1, 2006.

## **IMPROVING HOUSING AFFORDABILITY**

To help every British Columbian realize the dream of home ownership, Budget 2016 introduces measures to improve housing affordability:

**PROPERTY TRANSFER TAX:** A new full exemption for newly built homes up to \$750,000, saving buyers up to \$13,000 on the purchase of a new home, with a partial exemption up to \$800,000. Costs of the New Housing exemption will be offset by increasing the property transfer tax rate to 3% from 2% on the portion of fair market value over \$2 million.



**AFFORDABLE HOUSING:** \$355 million by the BC Housing Management Commission over five years to support more than 2,000 new units of affordable housing for people with low-to-moderate incomes.

**RENTAL HOUSING:** Continuing partnerships with municipalities and community groups to create more affordable housing in B.C. For example, the Community Partnership Initiatives program provides advice and low interest financing to non-profits to help them develop affordable housing, contributing to more than 3,300 new units of affordable housing.

**DATA COLLECTION:** Starting this summer, individuals who purchase property will need to disclose if they are Canadian citizens or permanent residents of Canada, and if neither, their home country. These changes will provide information on the volume of foreign investment in B.C.

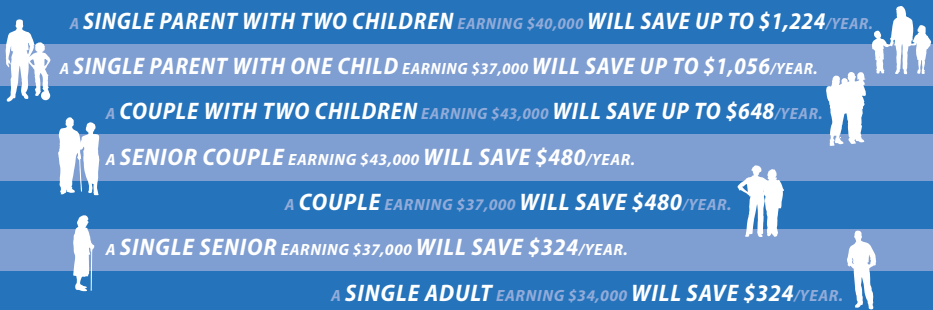
**HOME RENOVATION TAX CREDIT:** Expanded to include persons with disabilities. This tax credit provides up to \$1,000 annually to help with the cost of certain home renovations to improve accessibility, helping seniors and persons with disabilities be more functional or mobile at home.

## HELPING FAMILIES WITH THE COST OF LIVING

Changes to Medical Services Plan (MSP) premiums and enhanced premium assistance effective Jan. 1, 2017, will help lower-income families, individuals and seniors with the cost of living. All children will be exempt from MSP premiums, directly benefiting about 70,000 single-parent families. By making children free and expanding premium assistance, an additional 335,000 people will see their premiums reduced and an additional 45,000 people will no longer pay MSP premiums at all.

### CHANGES HELP FAMILIES, SENIORS & INDIVIDUALS ON PREMIUM ASSISTANCE

EFFECTIVE JANUARY 1, 2017 (EXAMPLES BASED ON HOUSEHOLD NET INCOME)



## SUPPORT FOR RURAL COMMUNITIES

To help rural communities reinvigorate and diversify their economies, we are investing \$75 million over three years to the Rural Dividend Program.

Recognizing the importance of public transportation, we are investing \$7 million to expand service in BC Transit's operating area.

### \$75 MILLION TO ASSIST COMMUNITIES WITH UNDER 25,000 PEOPLE TO TRANSITION THEIR ECONOMIES



### MSP CHANGES HELP SINGLE-PARENT FAMILIES SAVE MONEY

The calculation of MSP premiums will no longer include children, ensuring that all children are treated the same regardless of family composition. The measure will provide a significant benefit to single-parent families, who will pay up to \$72 per month less than they pay in 2016.



**OLD MSP SYSTEM:** \$150  
(2016 MONTHLY RATE)

**NEW MSP SYSTEM:** \$78  
(2017 MONTHLY RATE)

**DIFFERENCE:** SAVINGS \$864/YEAR



**SINGLE PARENT WITH 1 CHILD**

**OLD MSP SYSTEM:** \$136  
(2016 MONTHLY RATE)

**NEW MSP SYSTEM:** \$78  
(2017 MONTHLY RATE)

**DIFFERENCE:** SAVINGS \$696/YEAR



**INCREASED SOCIAL ASSISTANCE DISABILITY RATES: WHAT IT MEANS**

To support our plan to make B.C. the most progressive province for persons with disabilities, Budget 2016 provides \$170 million over three years to increase income assistance rates for persons with disabilities. Effective Sept. 1, 2016, all persons on disability assistance will receive an increase — up to \$77 per month.

**SUPPORTING B.C.'S MOST VULNERABLE**

For British Columbians whose health, safety and well-being depend on quality social programs and services, Budget 2016 provides an additional \$673 million over the next three years to the Ministry of Children and Family Development and the Ministry of Social Development and Social Innovation. This includes:

- » \$217 million to support vulnerable children and families and implement recommendations in the Plecas report.
- » \$286 million to address caseload pressures in temporary income assistance, disability assistance and related supplementary benefits, including \$36 million to Community Living BC.
- » \$170 million to increase income assistance rates for Persons with Disabilities.

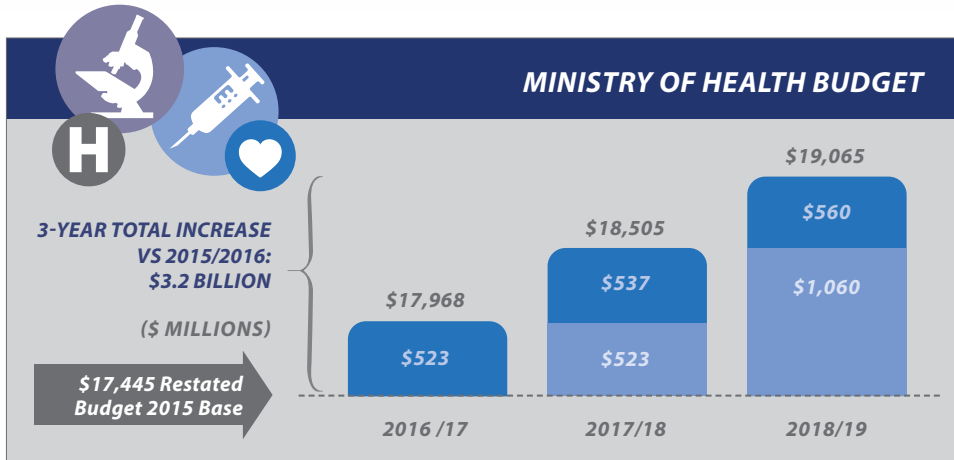
**KEEPING COMMUNITIES SAFE**

Safe and healthy communities are the foundation of a vibrant B.C. That's why we are making significant investments in 2015–16 for community safety including:

- » \$5 million for the Guns and Gangs strategy.
- » \$85 million to establish a new organization — the Forest Enhancement Society of BC — that will work towards wildfire prevention and mitigation through forest fuel management, reforestation and habitat restoration.
- » \$10 million for the Strategic Wildfire Prevention Initiative for Community Wildfire Protection Plans, Fire Smart Planning Activities and Fuel Management Projects.
- » \$55 million in emergency preparedness and prevention initiatives, such as upgrades to dikes and flood protection.
- » \$10 million to help bolster training, administrative support and equipment renewals for volunteer ground search and rescue organizations.

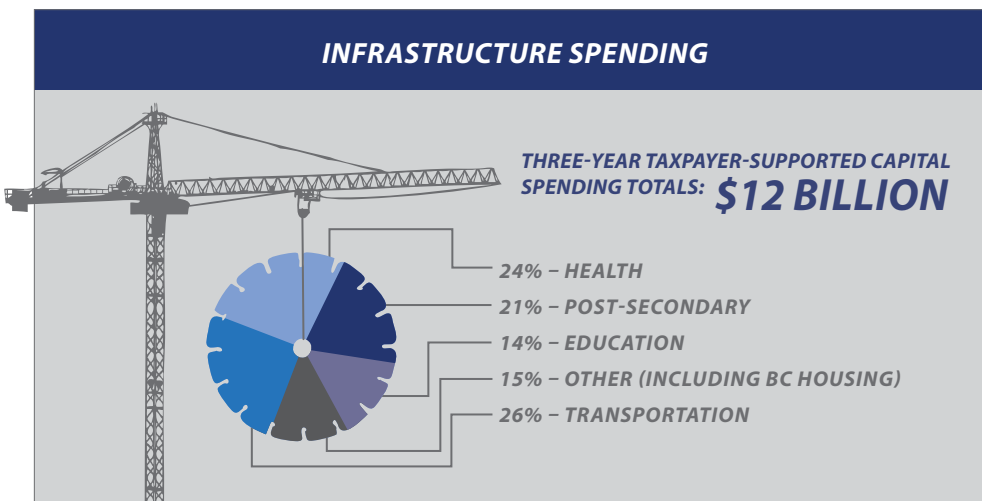


## BOOST TO HEALTH CARE



## INVESTING IN THE FUTURE WORKFORCE

By 2024, 78% of jobs will require some form of post-secondary education and training. To ensure we continue to develop a knowledgeable, skilled workforce, Budget 2016 provides an additional \$8 million over three years for youth trades training as part of the *Skills for Jobs Blueprint*. This will help even more of our young people access opportunities in B.C.'s growing industries.



## NEW TAX CREDIT FOR FARMERS

Farmers' Food Donation Tax Credit worth 25% of the fair market value of qualifying agricultural products donated to a registered charity that provides food to people in need or to help a school meal program.





### BRITISH COLUMBIA'S TRIPLE-A CREDIT RATING

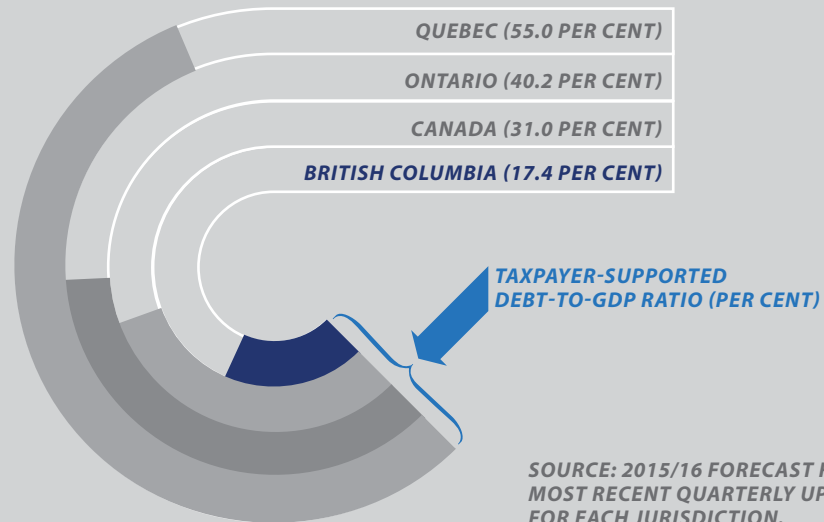
Our record of fiscal restraint and solid economic growth is consistently recognized by credit rating agencies. B.C. remains the only province with a triple-A credit rating and stable outlook from both Moody's and Standard & Poor's.



# Credit Rating

— THE HIGHEST STANDARD AVAILABLE

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



## SAVING FOR TOMORROW: BC PROSPERITY FUND

Budget 2016 establishes the BC Prosperity Fund with an inaugural commitment of \$100 million from the forecast 2015–16 surplus to establish this long-term legacy intended to:

- » Help eliminate the Province's debt over time.
- » Make investments in health care, education, transportation, family supports and other priorities that provide future benefits to B.C.
- » Preserve a share of today's prosperity for future generations.

## OPENING OUR DOORS TO THE WORLD

**INTERNATIONAL MARITIME CENTRE:** For the second year of funding, Budget 2016 provides another \$1 million to attract more international shipping companies to B.C. and the businesses and jobs that support them. Last year, we welcomed the first shipping company to open a new office in Vancouver since re-establishing the centre — Singapore-based AAL.

**STRENGTHENING TIES WITH INDIA:** We are targeting \$5 million over the fiscal plan to promote a stronger B.C. wood brand in India. This funding will help B.C. companies establish themselves as the world's leading supplier of sustainably harvested wood products to one of the world's fastest-growing emerging markets.

**INVESTMENT IN AEROSPACE:** In the third year of funding, Budget 2016 provides up to another \$1 million to support B.C.'s aerospace industry and attract more global business and investment to the province.

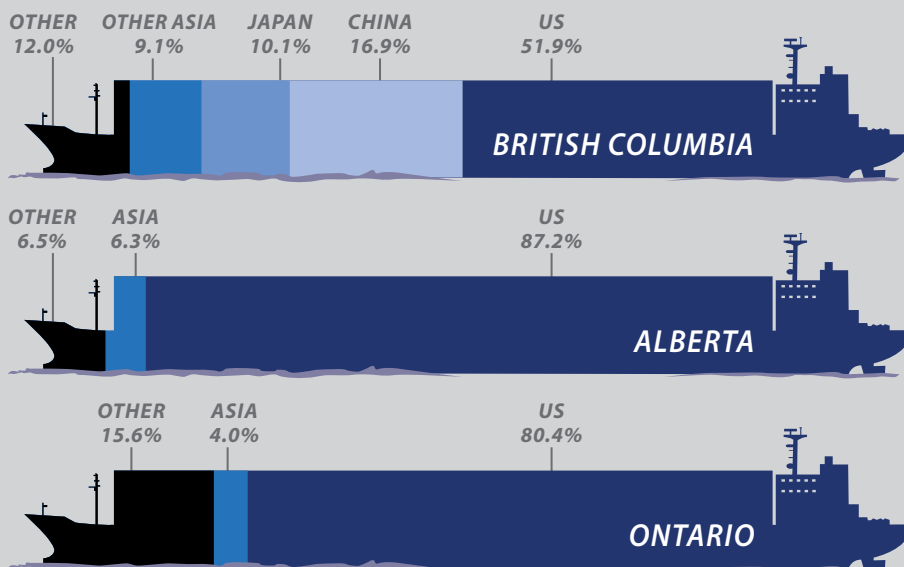


### ENCOURAGING INVESTMENT IN SMALL BUSINESS

The Small Business Venture Capital Tax Credit budget is being increased by \$5 million to encourage even more investment in B.C. small businesses.

## ABOUT 36% OF B.C.'S EXPORTS GO TO ASIA

2015 AVERAGE ANNUAL SHARE OF INTERNATIONAL GOODS EXPORTS BY PROVINCE

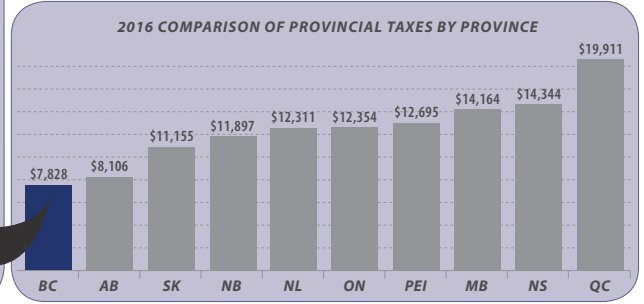
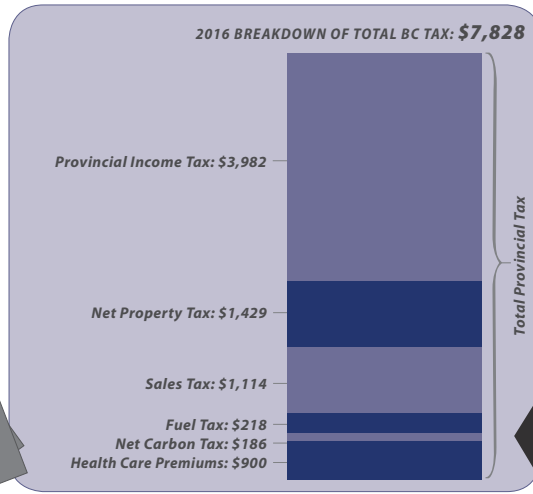
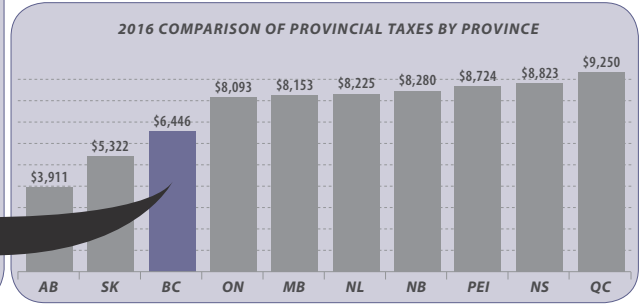
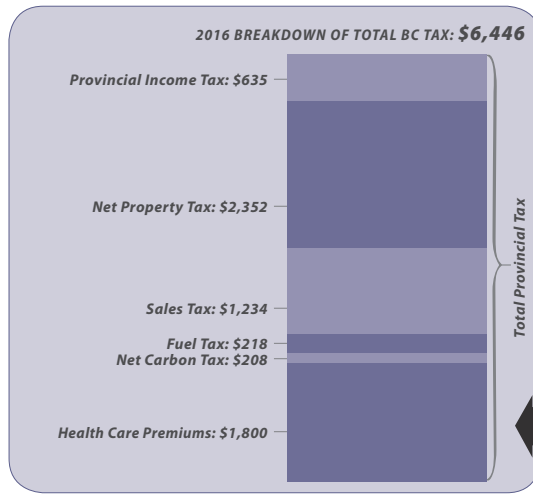
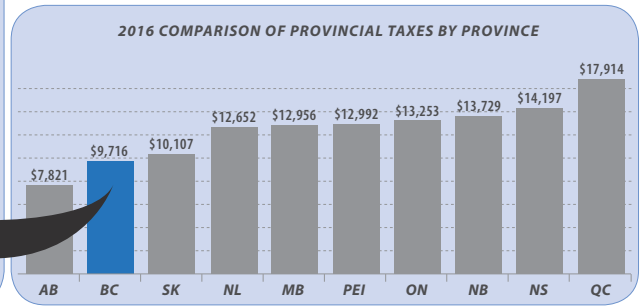
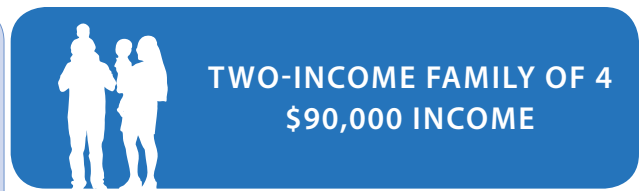
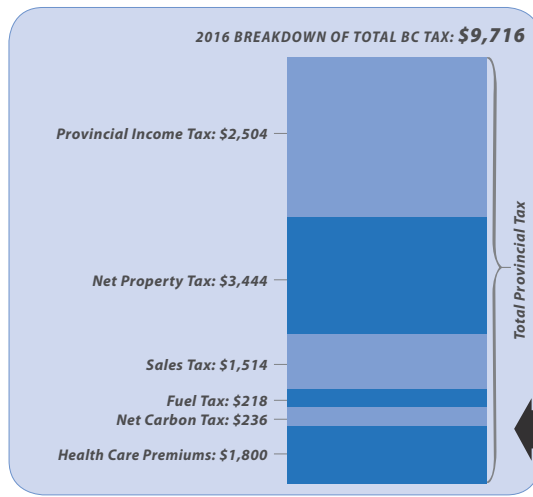


SOURCE: BC STATS



## 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.

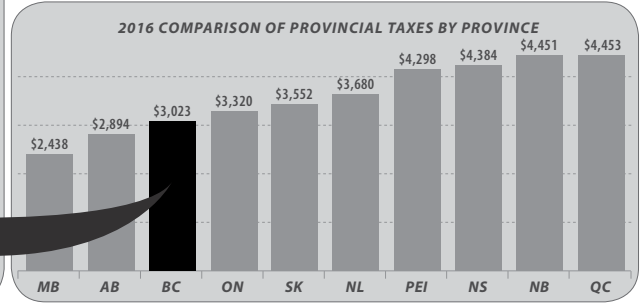
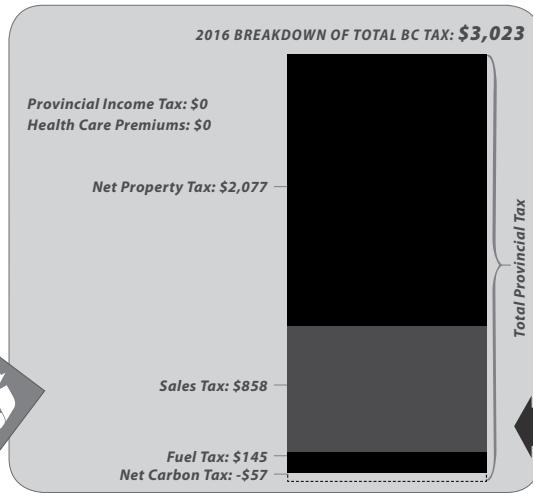


## For More Information



Budget 2016 Details:  
[www.bcbudget.ca](http://www.bcbudget.ca)

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



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