

Building a Prosperous British Columbia

BUDGET 2010 HIGHLIGHTS

We want young people growing up in B.C. to be able to look forward to a confident future of renewed prosperity and boundless opportunity.

Setting the Foundation for Renewed Economic Growth

Budget 2010 builds on our Olympic Games momentum and sets the foundation for the province we want, not just in five or 10 years, but for the generations that follow.

British Columbia has come through an unprecedented global economic downturn, and although it will take time, we are on our way to recovery.

Business and consumer confidence are rising, and British Columbia is expected to be among the country's leaders in economic growth in the year ahead.

That is partly due to the incredible success so far of the 2010 Olympic and Paralympic Winter Games, but also due to the hard work of British Columbians to set the stage for growth and prosperity.

With Budget 2010, government continues to make strategic investments that support families and youth into the 21st century, encourage clean energy options, provide important community infrastructure investments, and protect health care and education for all British Columbians.

Strategic Investments for the Future

BUDGET 2010 TAKES ACTION IN THREE CRITICAL AREAS:

- » Enhance support for the vital public services that British Columbians rely on every day.
- » Refocus government spending to ensure we get the most out of every dollar and remain on track to return to balanced budgets in 2013.
- » Move forward with a range of initiatives to stimulate and sustain economic growth and reassert our role as Canada's job-creation leader.

2010 Sports And Arts Legacy



\$30 Million

For Youth Participation in Sport



\$30 Million

For Provincial Art Investments

Support for Vital Public Services

With Budget 2010, we are building on what is arguably our greatest strength — British Columbia's unmatched and often envied quality of life. We're doing that by making life better for families with more jobs, more affordable housing, more supports for children and stronger, more vibrant, more liveable communities.

More Affordable Housing

We are standing by our commitment to provide a Northern and Rural Home Owner Benefit for British Columbians outside the Greater Vancouver, Fraser Valley and Capital Regional Districts. Beginning in 2011, a benefit of up to \$200 will be available — over and above the Home Owner Grant.

Many people will be able to receive up to \$770 a year towards their property taxes. Seniors will be able to receive up to \$1,045. And starting this year, families with children under 18 will also have the option to defer their property taxes.

More Support for Children and Families

Budget 2010 provides more support for low- and moderate-income parents. Over the next three years, we will invest an additional \$26 million for child-care subsidies, which offset the costs of child care for about 28,000 children every month.

Budget 2010 includes new investments to help young British Columbians excel in sports. Over the next three years, government is allocating \$60 million for a 2010 Sports and Arts Legacy. Half the funding is to increase youth participation in sport and improved athlete and coach development. The other \$30 million will enhance existing provincial arts investments in arts and culture.

Government is fulfilling its commitment to provide full-day kindergarten for five-year-olds. The program is being phased-in starting this September, and as it becomes fully operational annual funding will rise to \$129 million by 2012.

Budget 2010 provides an additional \$150 million over three years to fully fund teachers' wages and benefits, and offset other cost pressures.

In the coming year, per-pupil funding will increase to \$8,301. That is the highest ever in British Columbia. And we will provide \$110 million to school districts between now and March 2011 for annual facilities grants.

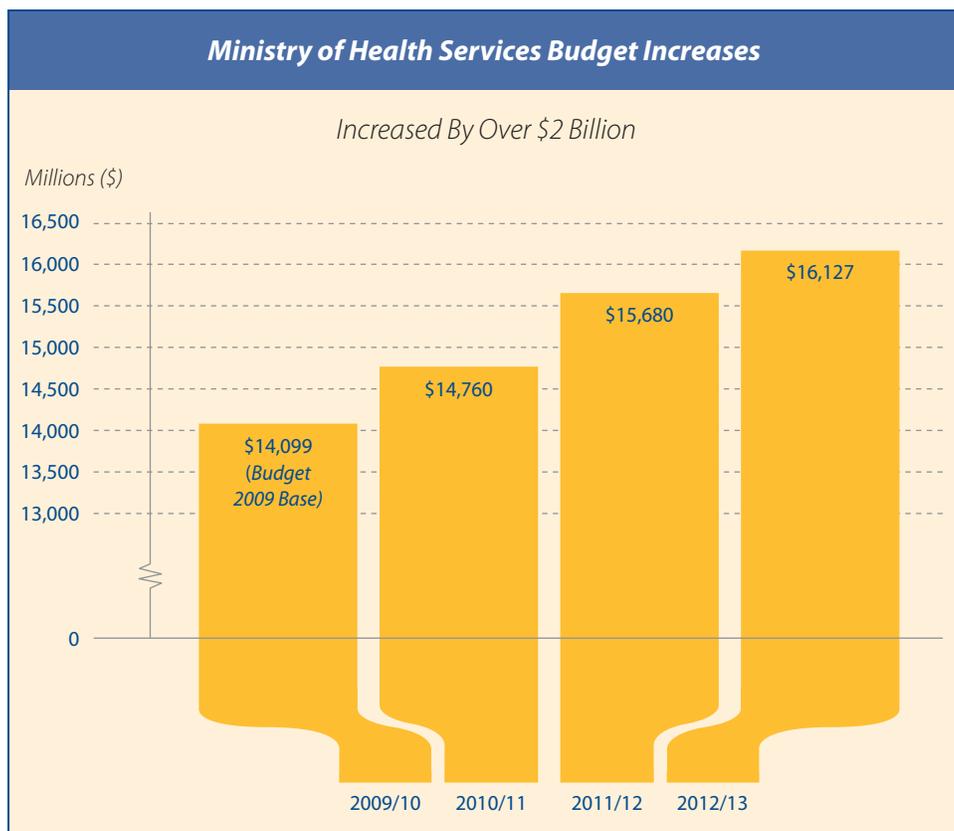
More Sustainable Support for Health Care

Budget 2010 provides new funding of \$447 million for health services — a total budget increase of over \$2 billion since 2009/10. This represents the largest share of all the funding increases approved in Budget 2010. Of that \$2 billion funding increase:

- » \$1.3 billion will go to the health authorities for front-line services.
- » \$145 million will go to PharmaCare.
- » \$52 million will support improvements to ambulance and tele-health services.
- » \$514 million to the Medical Services Plan for physician and laboratory services.

When the Harmonized Sales Tax (HST) takes effect in July, every dollar of revenue from that tax will be allocated to health care, along with every dollar from MSP premiums, tobacco taxes, lottery revenues dedicated to the health special account and federal health transfers.

Every dollar of HST revenue — along with four other revenue streams — will be tied directly to B.C. health care funding.



Once we return to balanced budgets, we will dedicate any surpluses directly to paying down the Province's operating debt... as part of our long-term plan for a prosperous British Columbia.

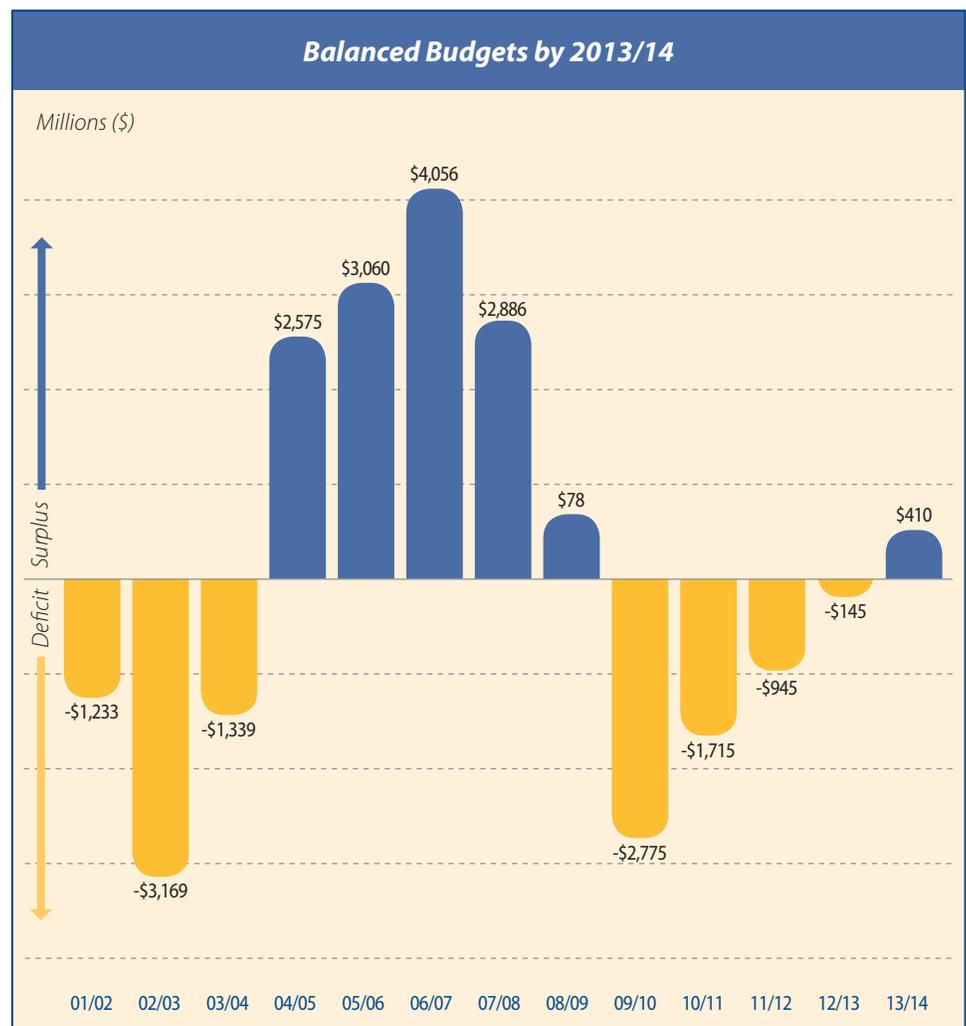
Balanced Budget: a Financial and Social Imperative

Budget 2010 reaffirms government's commitment to return to balanced budgets as planned by 2013/14.

As long as we are spending more money to pay for our services than we are generating in revenue, we are living not just beyond our own means, but beyond the means of future generations as well.

Ongoing financial discipline is essential, and it is government's responsibility to guide our economy back to prosperity and our public finances back to balance.

We must look for new ways of meeting our needs within the spending increases already provided.



Giving B.C. the Competitive Edge

The introduction of the HST on July 1, 2010 — the lowest in Canada at 12 per cent — is widely regarded as the single most important step British Columbia can take to strengthen the economy.

The HST will lower tax on new investment by 40 per cent, helping to create jobs and new opportunities in every region of the province and giving new momentum to our resource industries.

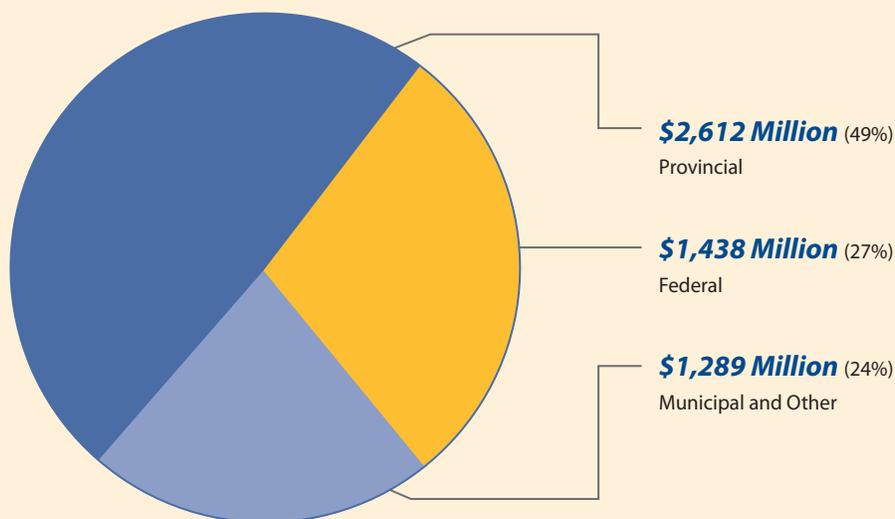
The British Columbia Mining Flow-Through Share Tax Credit is being extended for another three years, to the end of 2013. This will provide an added measure of certainty for the industry.

A competitive economy also requires a modern transportation system to move people and goods efficiently. Budget 2010 allocates \$2.7 billion over three years to the transportation investment plan and leverages an additional \$1.3 billion through federal cost-sharing and other partnerships.

Hundreds of accelerated infrastructure projects are now underway across British Columbia as part of our plan to create jobs while building social housing, hospitals, schools, roads and community facilities. \$5.3 billion has been committed to over 850 accelerated capital projects across B.C. to generate and protect approximately 34,000 jobs in the construction sector over the life of the projects.

This government has always been committed to building a stronger, more competitive economy. With new jobs, new investment and economic growth, B.C.'s potential opportunities are unparalleled.

Accelerated Infrastructure Investments Are Cost-Shared



We have a great opportunity right now to make British Columbia a centre of excellence with world-leading expertise in a number of key growth areas.

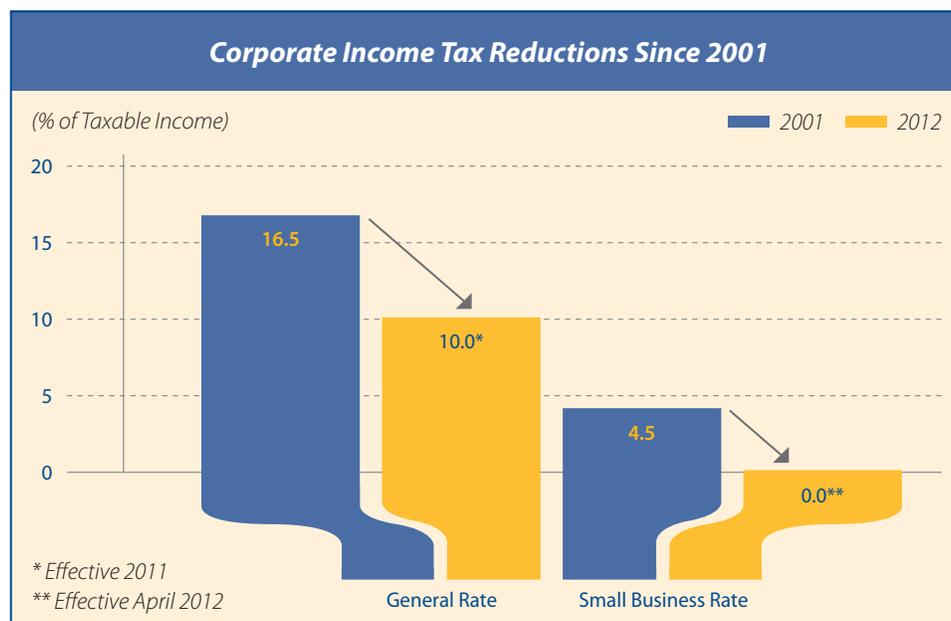
International Commerce

Government is taking steps to greatly expand B.C.'s potential as a hub for international commerce. This key sector is a growing contributor to our economy and with the global exposure we've earned by hosting the 2010 Olympics, the potential for further growth is enormous.

B.C.'s digital media sector now employs more than 15,000 people. The introduction of the B.C. Interactive Digital Media credit and changes to provincial film tax credits, combined with B.C.'s other advantages, including income tax rate changes and a highly skilled and well-trained workforce, will position B.C. at the forefront of the convergence of the film and digital media industries.

B.C. has untapped potential it can harness to generate new wealth and new jobs in our communities, while we lower greenhouse gas emissions. \$100 million in new climate action and clean energy development funding will ensure further commercial development of new, clean energy technologies. Government is also providing an additional \$35 million over three years for the LiveSmart BC: Efficiency Incentive Program.

Clean technology businesses in B.C. now employ about 18,000 people and contribute more than \$2 billion a year to our economy. The global market for environmental products and services is expected to double by 2020 and we have a chance to capture an even greater share of that market.



Building on B.C.'s Olympic Games Momentum

Since 2001, the B.C. Government has:

- » invested billions of dollars in the highways, ports and other infrastructure that open up our Pacific Gateway and connect us to global markets,
- » reduced the costs of doing business to among the lowest in the world,
- » signed new treaties and forged new relationships with B.C. First Nations, creating new certainty for investment and development, and
- » expanded trade and investment partnerships, focusing on emerging economies.

Forestry revenues are expected to increase by more than \$140 million in the year ahead as markets begin to recover. And the Province will continue to work with the industry to seek new value-added growth opportunities.

In the oil and gas sector, we are seeing good results from the Province's stimulus package, including the royalty initiatives fully supported in Budget 2010.

With these initiatives and strengthening markets, the Province's natural gas revenues alone are expected to increase by an annual average of 39 per cent in the next three years, reaching more than \$1.2 billion by 2013.

Having the eyes of the world on our Province during the Vancouver 2010 Olympic and Paralympic Winter Games provided an unprecedented opportunity to showcase British Columbia's spectacular tourism destinations, warm and welcoming people, innovative enterprises and the outstanding opportunities for business and investment.

The Olympic Games experience is not just one of the greatest celebrations this province has ever hosted, but is also a launching pad for new partnerships, international investment and business opportunities that will lead British Columbia into further economic growth and prosperity.

The 2010 Winter Games have provided a golden opportunity to showcase our Province and why it is an ideal place to invest, live, work and vacation. It is a legacy that will create economic benefits for future generations of British Columbians.

Our province and our people have enormous strengths. As we begin to see signs of a recovery, the time is right to renew and reinvigorate the spirit and pride that has always been a part of British Columbia.

For More Information

For Budget 2010 details please visit:
www.bcbudget.ca

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