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NEWS RELEASE

Budget 2010 – Building a Prosperous British Columbia

VICTORIA — Setting the foundation for decades of renewed economic growth, protecting vital services, adding to British Columbia's competitiveness and building on the tremendous momentum of the 2010 Olympic and Paralympic Winter Games are core elements of the 2010 provincial budget tabled in the B.C. Legislature today by Finance Minister Colin Hansen.

“We are enhancing support for B.C.'s families, meeting our financial targets, maintaining our commitments to health and education, and we are on track to return to balanced budgets in 2013,” said Hansen. “Recognizing the many opportunities resulting from the global exposure provided by the Olympics, we are also furthering our investments in areas such as clean energy, arts and culture and international commerce while ensuring future job growth across B.C.”

Budget 2010 maintains the government's priority of protecting core services in health and education and commits every dollar raised through the Harmonized Sales Tax (HST) and four other revenue streams to be used for health services funding when the HST comes into effect July 1, 2010.

By 2012/13 the Ministry of Health Services' budget will increase by over \$2 billion from the 2009/10 level. Total health spending will reach \$17.9 billion or 42 per cent of all government expenditures over the next three years. Funding increases are focused on sustaining front-line service delivery, including \$1.3 billion for the regional health sector to fund acute care, community, assisted-living, and other health services.

In education, per pupil funding for students in the K-12 levels will rise from \$8,200 in 2009/10 to an estimated \$8,301 for 2010/11, the highest ever. Further supporting families and early-childhood education, the introduction of full-day kindergarten for five-year-olds is being phased in starting this September, and as it becomes fully operational, annual funding will rise to \$129 million by 2012. In the post-secondary sector, funding remains stable at \$1.88 billion in 2010/11.

With *Budget 2010*, the B.C. government continues to invest in job-creating construction projects such as highways, schools, bridges, hospitals and other needed infrastructure throughout British Columbia.

\$5.3 billion has been committed to over 850 accelerated capital projects across British Columbia, an increase of \$1.9 billion since the *September Update 2009*. This is generating and protecting approximately 34,000 construction jobs over the life of the projects in communities across B.C.

Budget 2010 also provides a new property tax deferral program for homeowners with children under the age of 18. Eligible homeowners will have the option of deferring their provincial and local property taxes in recognition of the high cost of raising a family. This program will come into effect in the next few months.

An additional \$26 million in funding over three years has been set aside to support child care programs that assist low and moderate income families with the cost of child care through direct assistance to families for child care and funding to child care operators.

As part of the Province's long-term vision for economic growth, expansion of the International Financial Activity Program will greatly increase B.C.'s potential as a hub for international companies. Major changes include adding digital media publishing and distribution; certification and trading of carbon credits; and clean technology to the list of businesses that qualify for tax reductions under the program.

A new tax credit has also been introduced for digital media and enhancements to provincial film tax credits have been made to reflect the convergence of these sectors and their importance to the B.C. economy.

To maintain B.C.'s leadership in addressing climate change, *Budget 2010* commits \$100 million to climate action and clean energy development, initiatives that will support new jobs and investments in B.C. communities, while lowering greenhouse gas emissions. An additional \$35 million will be invested in the successful LiveSmart BC program for household energy audits and energy efficiency retrofits.

The budget also provides \$60 million over the next three years as a legacy for sports and the arts. Of the \$60 million, half will be used to enhance opportunities among British Columbians in the arts, such as visual art, music, theatre and dance. The other \$30 million will facilitate increased participation in youth sport, including improved athlete and coach development.

“Building on the legacy of the most successful Winter Games ever, we are positioning British Columbia for renewed growth and prosperity, while ensuring our financial resources are clearly focused on areas that meet tomorrow's needs as well as today's,” said Hansen. “Through effective and prudent management of the Province's finances, we are setting the foundation for the province we want — not just five or 10 years from now — but for generations to come.”

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3 backgrounders attached.

For the Finance Minister's speech and more details on *Budget 2010*, visit www.bcbudget.ca.

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