

Balanced Budget Invests in Families

BALANCED BUDGET 2013 HIGHLIGHTS

A BALANCED BUDGET FOR BRITISH COLUMBIA

Revenues over the next three years are expected to rise an average of three per cent annually. But we will continue to hold the line on spending with average annual growth of just 1.5 per cent over three years, keeping us on track for surpluses and allowing us to keep investing in priorities and get back to paying down provincial debt.

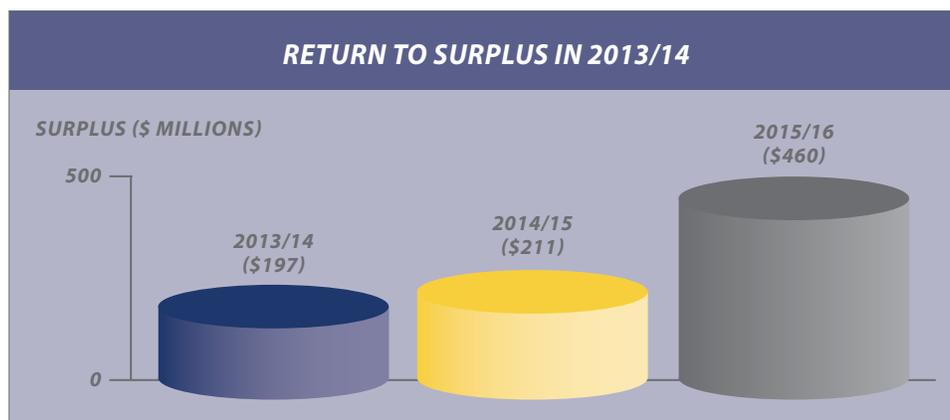
Budget 2013 sets out a sensible, realistic plan to guide B.C. for the next three years. Building this plan has not been easy, and we've had to make some tough decisions. But we have worked hard to find the right balance of measures to support our economic recovery and maintain support for the services British Columbians rely on every day.

Budget 2013 is all about the future of our province. Government will not spend money it does not have, and we will not leave a legacy of needless debt. We have delivered exactly what we promised to the people of British Columbia: a balanced budget for all three years of our new fiscal plan.

More than a decade of fiscal prudence and controlled government spending has put B.C. in a position envied by many other jurisdictions. Now is not the time to turn our backs on the discipline that's helped us through the worst of the economic downturn. Making tough choices to achieve savings helps us to invest in B.C.'s priorities. We will partner with families to help them benefit from the power of saving for their child's education.



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





Q ARE YOU SELLING OFF IMPORTANT CROWN PROPERTIES?

A No. To help balance the budget, we will sell some surplus, under-used property and assets that sit on government's books and cost taxpayers money without providing a good return. By better using these assets, we can maximize job creation and investment in our economy.

ACHIEVING A BALANCED BUDGET

While we can't control the turbulent global economy or the prices of commodities, we can protect B.C. from their impact and we can control our spending.

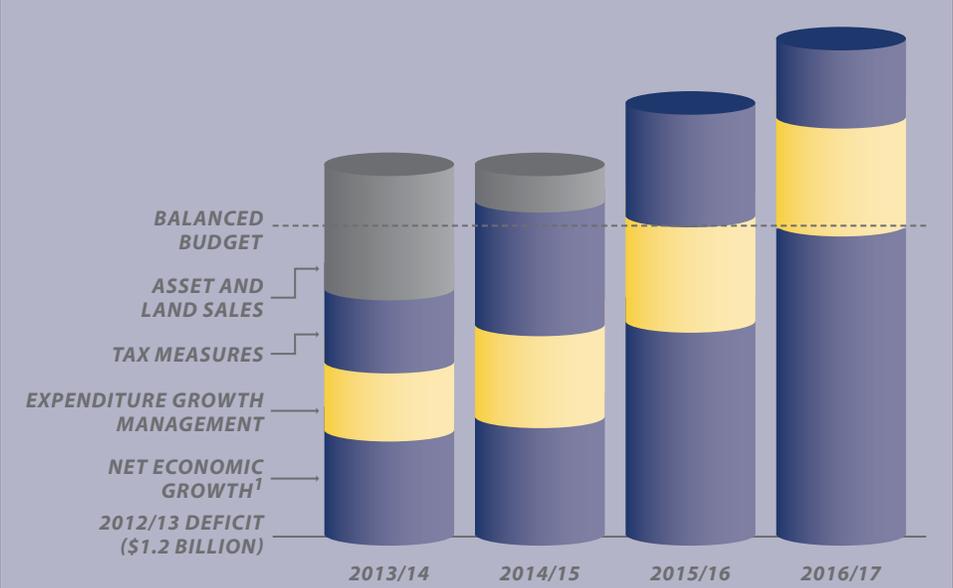
FOUR KEY STEPS WILL HELP B.C. ACHIEVE A SURPLUS IN 2013/14 AND GROW THAT SURPLUS OVER THE FOLLOWING YEARS

- » Sales of surplus properties and assets totaling \$625 million over the next two years.
- » Targeted tax measures projected to generate \$1.2 billion additional revenue over the next three years.
- » Expenditure growth management expected to yield \$1.1 billion over three years.
- » Net economic growth expected to generate \$1.7 billion in added revenue.

INDEPENDENT REVENUE FORECAST REVIEW

The B.C. government is committed to confidence in the budget. That's why nationally respected economist Dr. Tim O'Neill was hired to review economic and revenue forecasts. Dr. O'Neill reviewed the forecasts and reported out publicly before Budget 2013 was released.

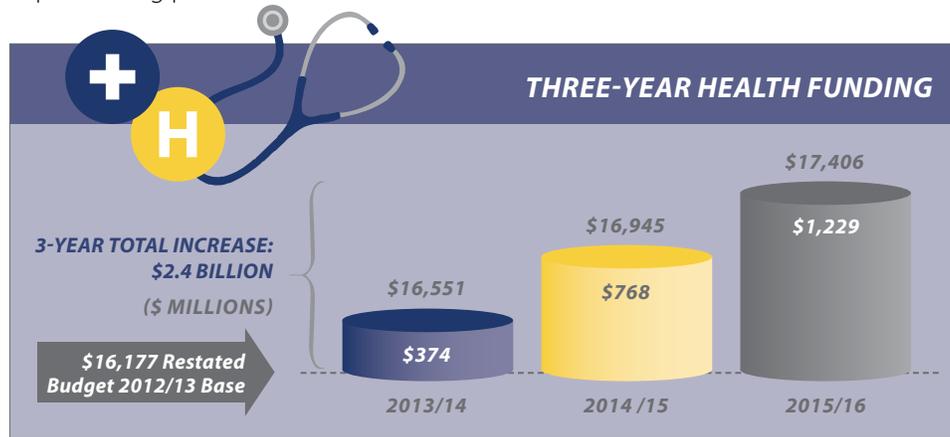
FILLING THE DEFICIT GAP



¹ IN 2013/14, INCLUDES THE IMPACTS OF THE LITTLE MOUNTAIN SALE AND RELOCATING THE LIQUOR DISTRIBUTION BRANCH WAREHOUSE.

AFFORDABLE HEALTH CARE, LEADING OUTCOMES

Health care spending has been targeted to deliver better health outcomes, giving us one of the best health care systems in the country. Savings and efficiencies in health spending will keep the growth of the Ministry of Health budget to an annual average of 2.6 per cent — but still add about \$2.4 billion in new funding over three years, for a total of \$17.4 billion in 2015–16. 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.



British Columbia has the longest life expectancy in the country, the lowest incidence of cancer, and among those who get cancer, B.C. has the very best survival rates. We are also the only province that continues to see a consistent decline in new HIV diagnoses.

SUPPORTING CHILDREN, FAMILIES AND COMMUNITIES

- » \$52 million over three years for RCMP policing costs to maintain existing front-line services, like officers hired to combat organized crime and gang activity.
- » An additional \$13 million to support Single Room Occupancy hotel renewal.
- » A further \$5 million for the responsible gambling strategy to fund treatment, counselling and prevention services for problem gambling.
- » Expanding the property tax deferral program to all families supporting children in any educational institution and families supporting adult children with disabilities.
- » Continuing funding for the Sport and Arts Legacy with \$60 million over three years.



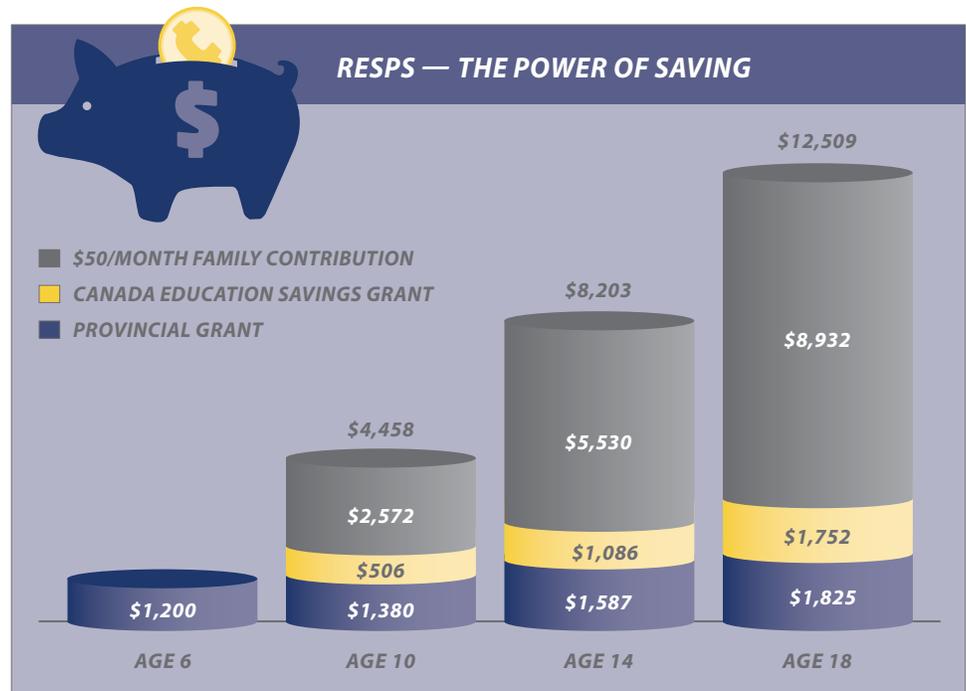
JUST ADD MILK!

New funding of \$1 million will expand the School Fruit and Vegetable Nutritional Program through a new partnership with the B.C. Dairy Association. This new initiative will provide local milk to children in K-12 schools around the province — at no cost to students or their families. This program helps students in over 1,400 public and First Nations schools develop a taste for healthy eating, while connecting them to the B.C. farms that put food on our tables.

INVESTING IN CHILDREN — TRAINING AND EDUCATION

B.C. TRAINING AND EDUCATION SAVINGS GRANT

With nearly a million job openings expected over the next decade alone, B.C. parents are excited about their children’s prospects. Whether it is in skilled trades or professional services, the vast majority of the new job openings will require some form of post-secondary education and training.



For those born in 2007 or later, the new B.C. Training and Education Savings Grant will provide a one-time \$1,200 grant towards a B.C. resident child’s Registered Education Savings Plan after the child turns six years old. The goal of the new program is to help families start saving for their child’s post-secondary education sooner.

No matching or additional contributions are required in order to receive the grant. All a family needs to do is to open an RESP account and apply for the grant before the child turns seven years old.

A STRONG PUBLIC EDUCATION SYSTEM

British Columbians enjoy one of the world's leading public education systems. Overall block funding for school districts will continue to rise over the coming three years. Districts receive more than \$4.7 billion a year. We're working closely with British Columbians to help ensure that all students are prepared for success in our rapidly changing world. Government is investing \$210 million over three years to support the Learning Improvement Fund. In its first year, the fund has provided extra support to virtually every public school in the province.

LEARNING IMPROVEMENT FUND INVESTMENTS

- » Estimated 500 teachers hired, at a cost of \$37 million.
- » \$17.3 million devoted to special education, in part to place over 400 new teacher assistants in schools.
- » \$1.8 million devoted to professional development.

BRITISH COLUMBIA EARLY YEARS STRATEGY

The British Columbia Early Years Strategy represents government's commitment to improving the integration, affordability, accessibility and quality of early years policy and programs.

EARLY YEARS STRATEGY INVESTMENTS

\$6 million in 2013/14	\$18 million in 2014/15	\$52 million in 2015/16
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From this \$76 million, Budget 2013 provides \$32 million over three years to support the creation of new childcare spaces; an additional \$7 million over three years for strengthening the coordination of early childhood development programs and child care services; and an additional \$37 million over three years in new funding specifically in support of improving the quality of child care and early years services in British Columbia.



B.C. CREATIVE FUTURES INITIATIVE

To ensure young British Columbians are better prepared for the creative economy, we are allocating over \$18 million for programming aimed at increasing youth participation in the arts.

B.C. CHILD TAX BENEFIT

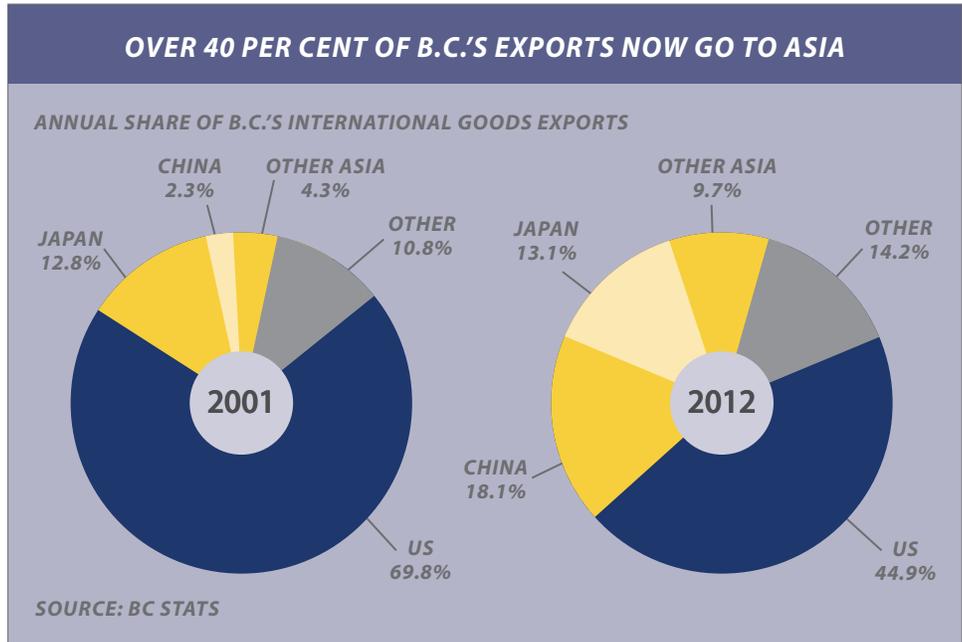
Starting April 2015, the B.C. Early Childhood Tax Benefit will provide eligible families with \$55 per month, or \$660 annually per child under the age of six. This funding is intended to offset the cost of raising young children. Because the credit is refundable, it will be available to low income families who don't pay provincial income tax.



LIQUEFIED NATURAL GAS – A LONG-TERM OPPORTUNITY

B.C. is a strategic location for LNG facilities with our proximity to Asia, large reserves of natural gas, skilled workforce and competitive tax and royalty regime. In the coming years, LNG development could create thousands of new jobs and several billions of dollars of new investment in B.C. Consultations are now underway to help Northern communities get ready for that change. Now is the time for British Columbians to start thinking about how future benefits from LNG development could best be used or invested in the province. Establishing a legacy or prosperity fund could provide for a package of programs, strategic investments, or debt reduction that would benefit British Columbians for generations to come.

A STABLE, GROWING ECONOMY
DIVERSE EXPORTS



We have worked hard to diversify our export market. Today, over 40 per cent of B.C.'s exports go to Asia and 45 per cent go to the U.S. In 2001, almost 70 per cent of our province's exports went to the U.S. By comparison, 87 per cent of Alberta and 78 per cent of Ontario exports are U.S.-dependent. This diversification helps shelter B.C. from U.S. downturns and lets us take advantage of rapidly growing markets like China. Demand across the Pacific Rim continues to grow, presenting huge incentives for us to expand our exports and accelerate the development of LNG, leveraging our plentiful supply of natural gas and our strategic location as Canada's Pacific province.

\$80 BILLION WORTH OF MAJOR PROJECTS UNDER CONSTRUCTION

In B.C. about \$80-billion worth of major projects are currently under construction. These are happening across a range of economic sectors — shipbuilding, natural gas, mining, manufacturing, transportation and commercial and residential development.



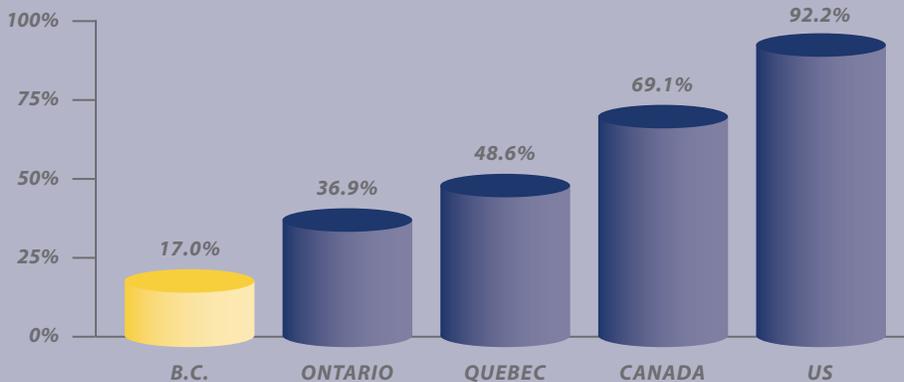


Credit Rating

— THE HIGHEST STANDARD AVAILABLE

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

TAXPAYER-SUPPORTED DEBT-TO-GDP RATIO



SOURCES: B.C. MINISTRY OF FINANCE (IN FISCAL YEAR 2012/13), AND MOODY'S INVESTOR SERVICES



SUPPORT FOR B.C.'S AGRICULTURE SECTOR

- » The Agricultural Land Commission will receive an additional \$4 million over three years for increased oversight of the Agriculture Land Reserve.
- » Commercial greenhouse vegetable and flower growers will receive ongoing relief from the Carbon Tax. A new grant will provide relief for 80 per cent of their Carbon-Tax costs on certain fuels used for their greenhouse operations.
- » Government also intends to exempt farmers from Carbon Tax paid on coloured motor fuels.

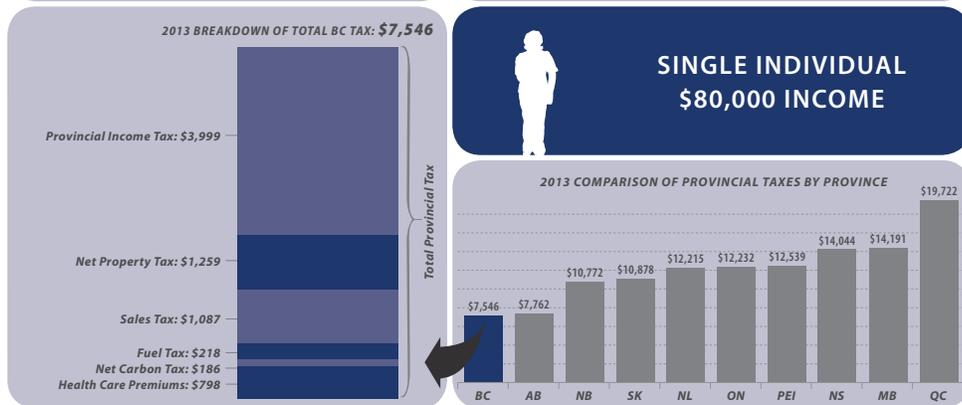
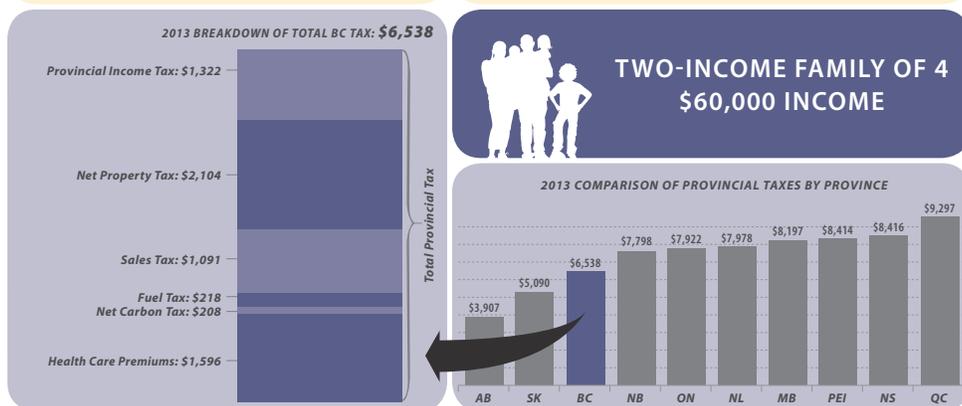
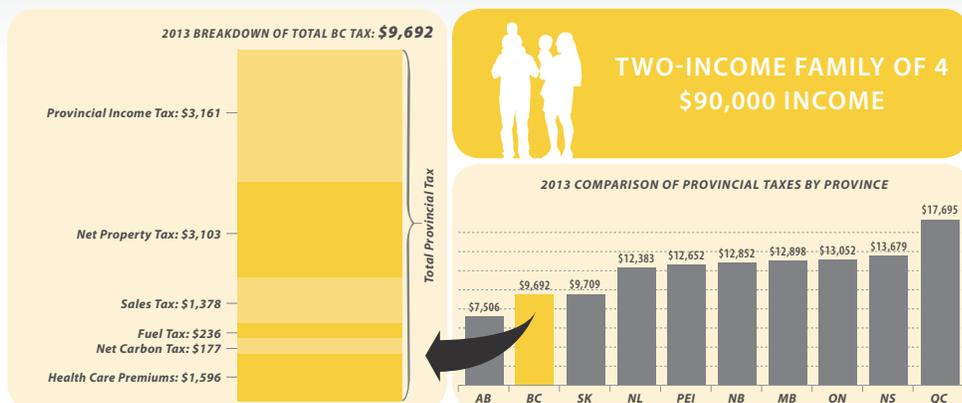
INVESTING IN B.C. INFRASTRUCTURE

Government will invest \$10.4 billion in taxpayer-supported capital projects over the next three years, including:

- » Transportation infrastructure to get goods to market and improve rapid transit.
- » New, replacement and renovated schools.
- » Expansions, replacements and upgrades to post-secondary institutions on Vancouver Island, Richmond, Kamloops and Kelowna.
- » Health facilities like B.C. Children's and Women's Hospital, Surrey Memorial, Interior Heart and Surgical Centre, the two new North Island Hospitals, Lakes District Hospital, and Queen Charlotte/Haida Gwaii hospital.

LOWEST TAX BURDEN IN THE COUNTRY

This government has taken significant steps to cut taxes for British Columbians. We have significantly reduced personal and corporate income taxes to lower the tax burden on families and improve the competitiveness of B.C. businesses. When all taxes are considered, British Columbians generally have one of the lowest overall tax burdens in Canada — including income tax, consumption tax, MSP premiums and payroll tax, and B.C. has the lowest provincial personal income taxes in Canada for individuals earning up to \$122,000 a year.



For More Information

For Budget 2013 details visit:
www.bcbudget.ca

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

