

Strong Economy Supporting British Columbians

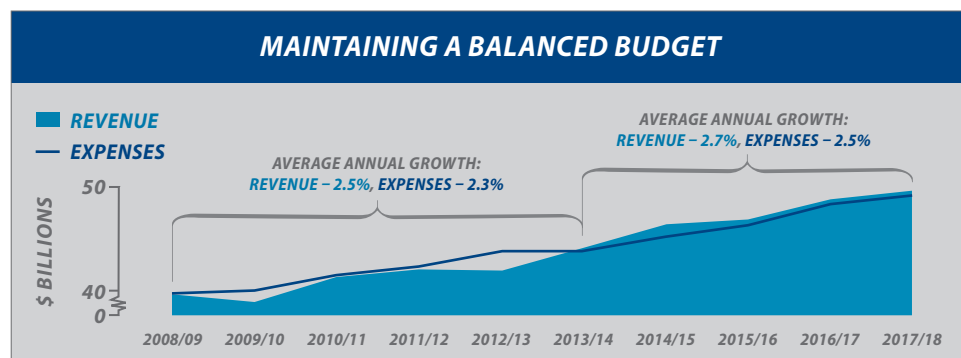
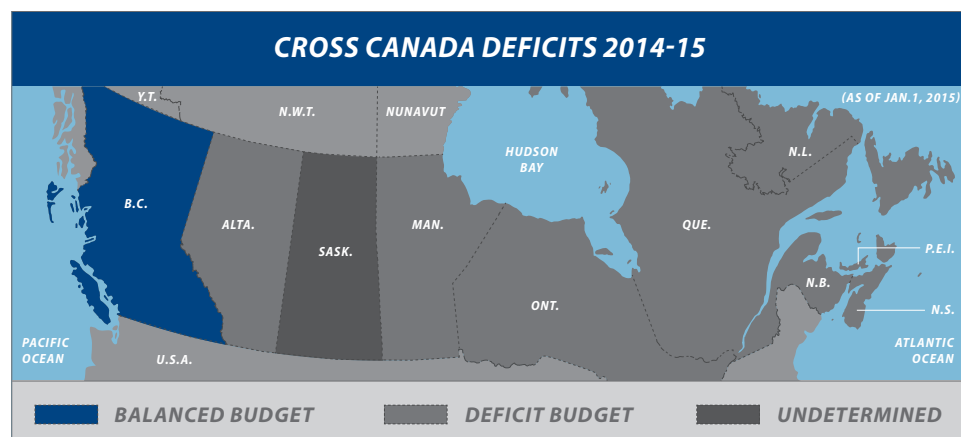
BALANCED BUDGET 2015 HIGHLIGHTS

BALANCING OUR BUDGET FOR THE THIRD-STRAIGHT YEAR

B.C. is forecast to end the fiscal year 2014-15 with a surplus of \$879 million, and Budget 2015 forecasts further surpluses in all three years of the fiscal plan totaling just over \$1 billion. Fiscal discipline remains at the heart of *Balanced Budget 2015*. It's the main reason we are able to balance the books and still make modest, strategic investments to:

- » Maintain public services like health care and education;
- » Strengthen and encourage growth in key economic sectors; and
- » Strengthen supports for families and those in need.

Despite ongoing global and domestic economic uncertainty, independent economists forecast B.C. will be near the top among provinces in terms of economic growth over the next two years. One reason we're expected to do well is the diversification of B.C.'s economy. This allows us to continue to make investments in priority areas while balancing the budget.



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



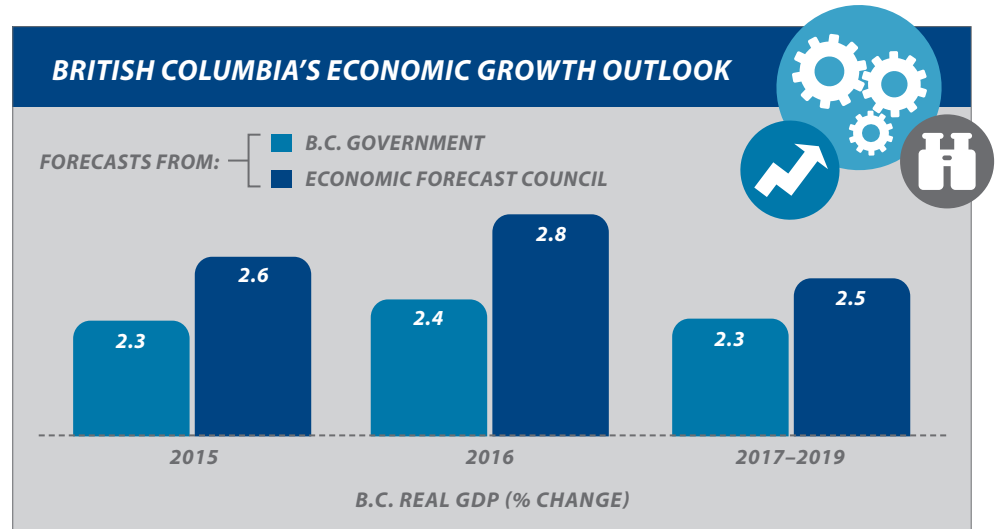
BRITISH COLUMBIA'S TRIPLE-A CREDIT RATING

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



GROWING OUR ECONOMY

The government forecasts the B.C. economy to grow by 2.3% in 2015, 2.4% in 2016 and 2.3% in 2017.



DIVERSIFYING OUR ECONOMY

MINING

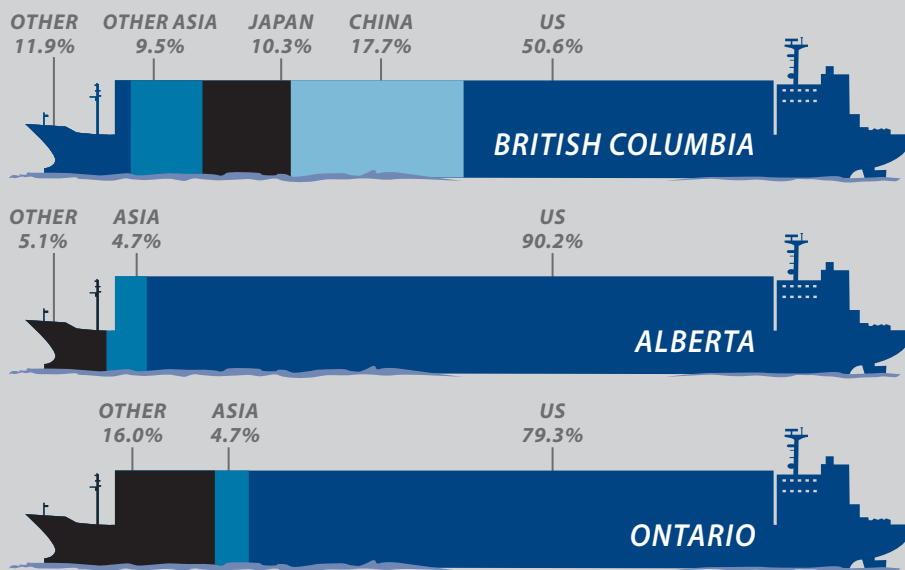
- » Extending for one year the B.C. mining flow-through share tax credit, which provides incentive for mineral exploration.
- » Extending the new mine allowance for four years, meaning it will be available to new mines and those with major expansions that start production by Dec. 31, 2019.
- » Base budget increase of \$6.3 million annually to the Ministry of Energy and Mines to support continued improvements to permitting and regulatory oversight — including increased mine inspections.

AGRICULTURE

- » B.C. has the most diverse agrifoods industry in Canada, which provides approximately 60,000 jobs and generates roughly \$11.6 billion a year for B.C.'s economy. Government is committing a further \$2 million to our Buy Local program to help farmers and food processors promote their B.C. products.

ABOUT 37% OF B.C.'S EXPORTS GO TO ASIA

2014 AVERAGE ANNUAL SHARE OF INTERNATIONAL GOODS EXPORTS BY PROVINCE



SOURCE: BC STATS (TOTALS MAY NOT ADD UP TO 100% DUE TO ROUNDING)

INVESTMENT IN AEROSPACE



B.C.'s aerospace industry contributes \$2.5 billion a year to our economy and provides direct employment for 8,300 people. We're looking forward to seeing those numbers grow, which is why Budget 2015 re-affirms government's commitment to provide \$5 million over five years to further expand B.C.'s world-class aerospace cluster. The second installment of funding will continue the work that has been launched, aimed at expanding markets and attracting more global business and investment to the province.

ACCESSING THE WORLD

- » **International Maritime Centre:** Up to \$3 million will be allocated over three years to draw more shipping companies, and their head offices, to Vancouver — creating long-term, high-paying jobs while further cementing B.C.'s reputation as the preferred gateway between North America and Asia.
- » **Renminbi Hub:** As B.C. companies continue to grow their market ties with China, government will contribute modest funds to help B.C. businesses take advantage of Canada's new renminbi hub — the first of its kind in the Americas. This hub is a financial centre designed to clear and settle business transactions in the Chinese currency — making it easier and less expensive for companies and others here to do business with China. The Canadian Chamber of Commerce estimates that direct trade in renminbi could save Canadian firms up to \$6.2 billion in transaction costs over 10 years and increase the value of exports by as much as \$32 billion; British Columbia would share significantly in these gains.

MATCHING TRAINING WITH JOBS IN DEMAND

B.C. Access Grant, up to
\$16,400 per student.



Including \$500 for new tools.



Redirected \$40 million
to training at B.C. post
secondary schools for high-
demand jobs.



\$5.4 million for aboriginal
skills training.



B.C.'S SKILLS FOR JOBS BLUEPRINT

Budget 2015 supports the *Skills for Jobs Blueprint* — the government's plan for re-engineering education and training. Of the estimated one million job openings expected by 2022 in B.C., 43% will require trades or technical training. *B.C.'s Skills for Jobs Blueprint: Re-engineering Education and Training* helps align training and education with in-demand jobs.

It provides a seamless path from school to the workplace, matching training with jobs in high demand — jobs that require specialized skills and that pay well. The blueprint is based on:

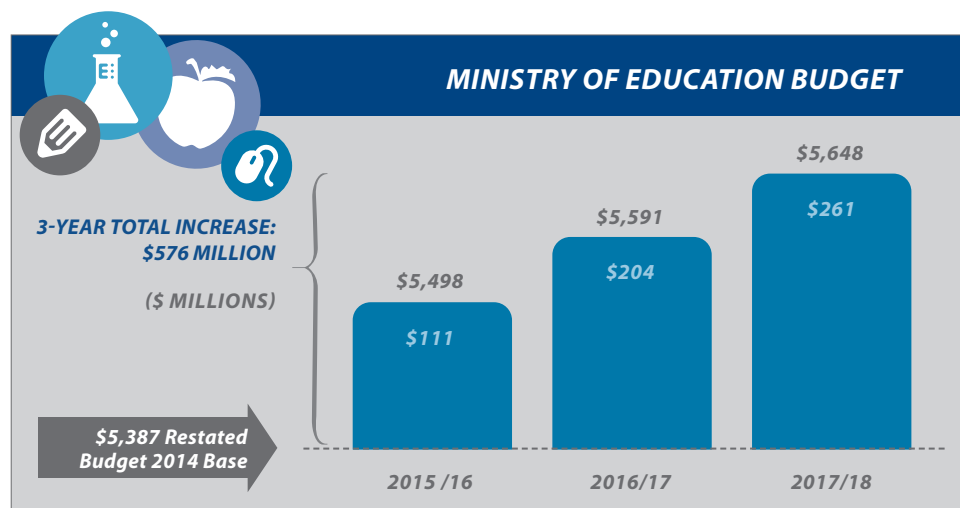
- » Giving kids a head start with hands-on learning in schools.
- » Shifting education and training to better match jobs in demand.
- » Strengthening the partnership with industry and labour to deliver training and apprenticeships.

TAX CREDIT EXTENSIONS

- » **Training Tax Credits:** We are helping employers and apprentices by extending the training tax credits to the end of 2017. This year's budget will also extend the enhanced credit that provides an additional 50% for First Nations individuals, people with disabilities, and their employers.
- » **Digital Animation or Visual Effects tax credit:** Budget 2015 expands the Digital Animation or Visual Effects tax credit to include post-production film activities. This — in addition to the broader credits already available — will help to keep our film sector healthy.
- » **Interactive Digital Media tax credit:** Budget 2015 also extends the Interactive Digital Media tax credit to 2018 to continue offsetting the cost of developing video games and other digital media products.
- » **Small Business Venture Capital tax credit:** Provides a one-year increase of \$3 million to the Small Business Venture Capital tax credit program. This program will allow for up to \$10 million in additional equity financing for qualifying new businesses in 2015.

INVESTING IN EDUCATION

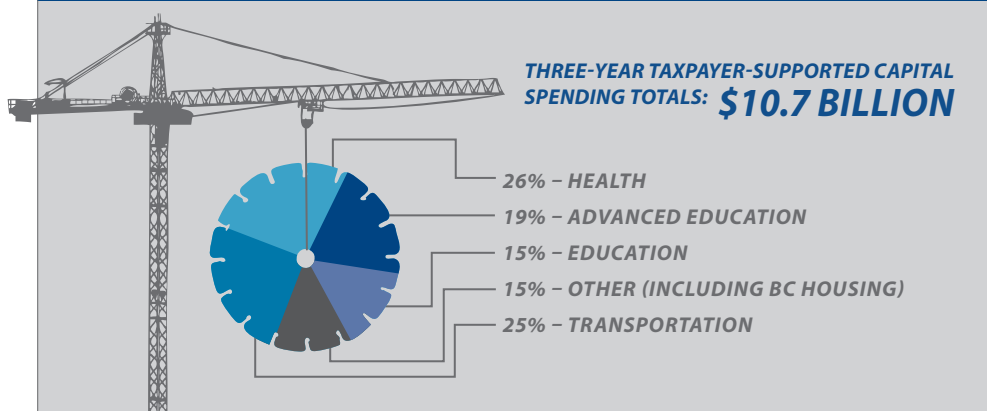
Our investment in public schools instruction will fund the recently negotiated collective agreements with teachers and support staff, which remain in effect until June 2019, in addition to a 33% increase to the Learning Improvement Fund.



TRAINING AND EDUCATION SAVINGS GRANT

Starting in August, parents can apply at participating financial institutions for the Training and Education Savings grant — a one-time payment of \$1,200 for every eligible B.C. resident child born since Jan. 1, 2007. After being deemed eligible, grants will be received for as many as 40,000 children every year, once they turn six. The key condition is that parents or guardians must establish a Registered Education Savings Plan on the child's behalf so they can get a head start on planning for their future education and training.

INFRASTRUCTURE SPENDING



NEW HEALTH INVESTMENTS



» Up to \$12.5 million for the Canadian Cancer Society to establish a world-class Cancer Prevention Centre in Vancouver. The centre will focus on research that has the potential to improve health outcomes and, by extension, reduce health-care expenditures.

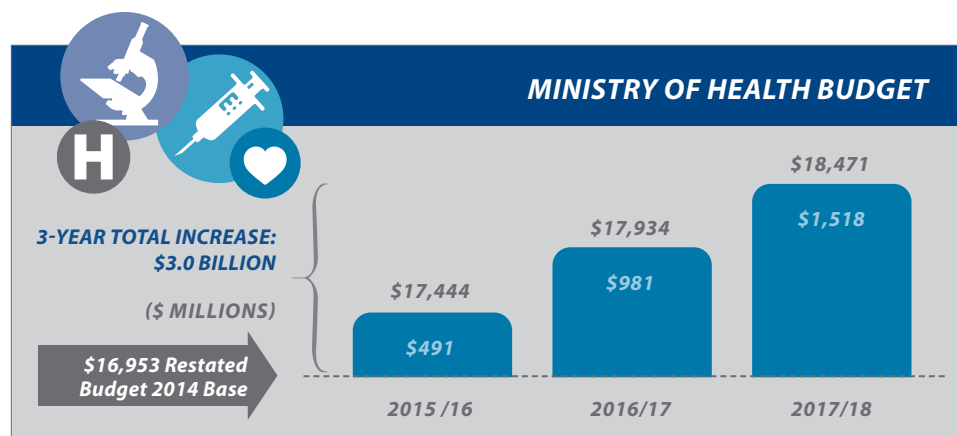
» Additional funding to support hospice and palliative services for children and adults as part of our work toward doubling the number of beds by 2020 and supporting end-of-life care.

INVESTING IN HEALTH CARE

ADDITIONAL FUNDING FOR THE HEALTH BUDGET

In the next three years, spending by the Ministry of Health will increase by nearly \$3 billion. Behind these numbers, two very positive stories are emerging:

- » We've reduced the rate of health funding increases to an annual average of under 3% — from as high as nearly 8% in the mid-2000s.
- » B.C. continues to have some of the best health outcomes anywhere, including the longest life expectancy in Canada and the country's lowest mortality rates for cancer and heart disease.



HEALTHY AND ACTIVE CHILDREN

- » \$1 million in additional funding for the British Columbia School Fruit and Vegetable Nutrition Program, which now benefits almost half a million children by providing milk, fruits and veggies free of charge at participating schools including for First Nations band schools.
- » A \$500 education coaching tax credit for teachers and teaching assistants, recognizing the value of extra-curricular sports and arts opportunities in our schools.
- » \$3 million to provide an additional \$250 children's fitness equipment tax credit to take a little bit of the pressure off parents. The credit will be set at 50% of the amount claimed for the existing B.C. children's fitness credit, so parents won't have to keep receipts for equipment.

SUPPORTING PEOPLE IN NEED

CHILD SUPPORT PAYMENTS EXEMPTION

Effective Sept. 1, 2015, child support payments will be fully exempted from income assistance calculations. That means parents will be able to keep every dollar they receive in child support — over and above what they receive in income and disability assistance. This translates into an additional \$32 million over three years for some of the neediest children and families in British Columbia. Approximately 5,400 children in 3,200 families who currently receive income and disability assistance will benefit from this change.

FUNDS FOR COMMUNITY LIVING BC AND INCOME ASSISTANCE

With this budget, we're also providing additional dollars to support those individuals and families who are most in need. That includes, for the next three years:

- » An additional \$106 million for Community Living BC to support people with developmental disabilities, and
- » An additional \$20 million for income assistance programs.

SPCA INVESTMENT

\$5 million supports the replacement or renovation of SPCA facilities in the Lower Mainland, Vancouver Island, Kootenay and Okanagan regions.

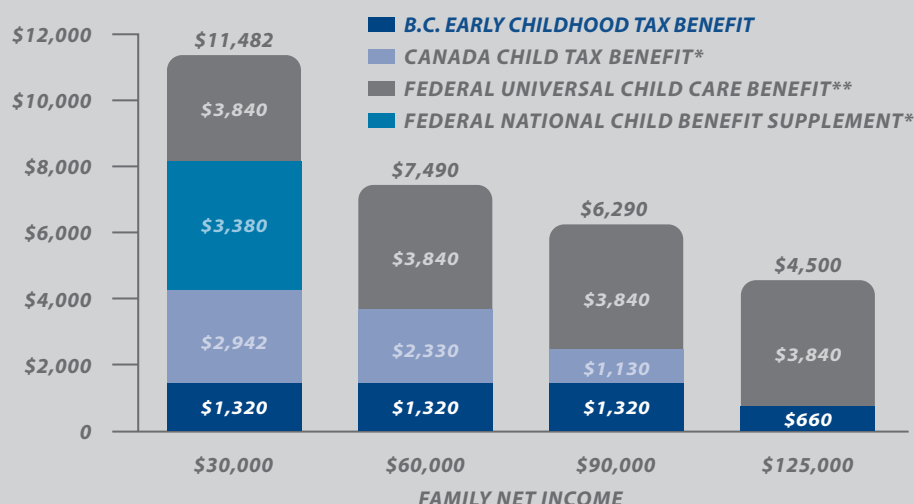


B.C. EARLY CHILDHOOD TAX BENEFIT

Starting April 1, 2015, 180,000 families will begin receiving the BC Early Childhood Tax Benefit. It provides up to \$660 a year for each child under the age of six to help offset the cost of child care. When combined with federal benefits for families with children, a couple earning \$60,000 with two children under the age of six could receive an annual benefit of about \$7,500.



TOTAL ANNUAL CHILD BENEFITS: COUPLE WITH TWO CHILDREN UNDER THE AGE OF 6



* THESE AMOUNTS ARE EFFECTIVE JULY 1, 2015. THE BENEFITS WILL RISE SLIGHTLY BY 2016 DUE TO INFLATION INDEXING.

** THE FEDERAL UNIVERSAL CHILD CARE BENEFIT IS A TAXABLE BENEFIT BUT IS EXCLUDED FROM FAMILY NET INCOME IN DETERMINING THE CHILD TAX BENEFITS LISTED HERE. THE BENEFIT AMOUNT IS NOT INDEXED TO INFLATION.



LOW TAXES FOR BRITISH COLUMBIANS

British Columbians continue to 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.

2015 BREAKDOWN OF TOTAL BC TAX: \$9,780

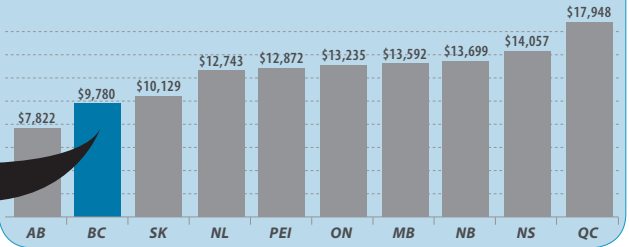
Provincial Income Tax: \$2,793
Net Property Tax: \$3,347
Sales Tax: \$1,458
Fuel Tax: \$218
Net Carbon Tax: \$236
Health Care Premiums: \$1,728

Total Provincial Tax



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

2015 COMPARISON OF PROVINCIAL TAXES BY PROVINCE



2015 BREAKDOWN OF TOTAL BC TAX: \$6,533

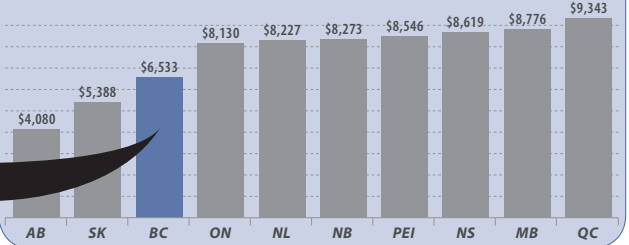
Provincial Income Tax: \$939
Net Property Tax: \$2,281
Sales Tax: \$1,159
Fuel Tax: \$218
Net Carbon Tax: \$208
Health Care Premiums: \$1,728

Total Provincial Tax



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

2015 COMPARISON OF PROVINCIAL TAXES BY PROVINCE



2015 BREAKDOWN OF TOTAL BC TAX: \$7,752

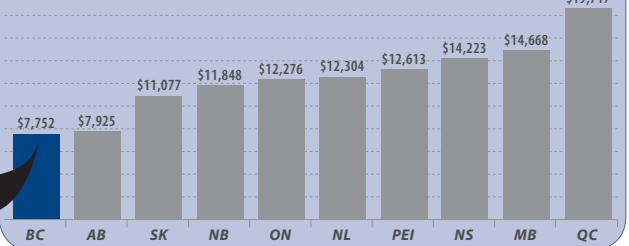
Provincial Income Tax: \$4,000
Net Property Tax: \$1,381
Sales Tax: \$1,103
Fuel Tax: \$218
Net Carbon Tax: \$186
Health Care Premiums: \$864

Total Provincial Tax



SINGLE INDIVIDUAL \$80,000 INCOME

2015 COMPARISON OF PROVINCIAL TAXES BY PROVINCE



2015 BREAKDOWN OF TOTAL BC TAX: \$2,954

Provincial Income Tax: \$0
Health Care Premiums: \$0
Net Property Tax: \$2,006
Sales Tax: \$860
Fuel Tax: \$145
Net Carbon Tax: -\$57

Total Provincial Tax



SENIOR COUPLE EQUAL PENSIONS \$30,000 INCOME

2015 COMPARISON OF PROVINCIAL TAXES BY PROVINCE



For More Information



Budget 2015 Details:
www.bcbudget.ca

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

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