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
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.

![BRITISH COLUMBIA'S ECONOMIC GROWTH OUTLOOK](image)

<table>
<thead>
<tr>
<th>Year</th>
<th>B.C. Government</th>
<th>ECONOMIC FORECAST COUNCIL</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>2.3</td>
<td>2.6</td>
</tr>
<tr>
<td>2016</td>
<td>2.4</td>
<td>2.8</td>
</tr>
<tr>
<td>2017-2019</td>
<td>2.3</td>
<td>2.5</td>
</tr>
</tbody>
</table>

![BRITISH COLUMBIA’S TRIPLE-A CREDIT RATING](image)

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.

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.
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.
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.

MINISTRY OF EDUCATION BUDGET

Three-year taxpayer-supported capital spending totals: $10.7 Billion

- 26% – Health
- 19% – Advanced Education
- 15% – Education
- 15% – Other (including BC Housing)
- 25% – Transportation

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.
**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.

**MINISTRY OF HEALTH BUDGET**

3-YEAR TOTAL INCREASE: $3.0 BILLION ($ MILLIONS)

<table>
<thead>
<tr>
<th></th>
<th>2015/16</th>
<th>2016/17</th>
<th>2017/18</th>
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<tbody>
<tr>
<td>2014 Restated</td>
<td>$16,953</td>
<td>$17,444</td>
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<tr>
<td>$3.0 Billion</td>
<td>$491</td>
<td>$981</td>
<td>$1,518</td>
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**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.

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

<table>
<thead>
<tr>
<th>FAMILY NET INCOME</th>
<th>B.C. EARLY CHILDHOOD TAX BENEFIT</th>
<th>CANADA CHILD TAX BENEFIT*</th>
<th>FEDERAL UNIVERSAL CHILD CARE BENEFIT**</th>
<th>FEDERAL NATIONAL CHILD BENEFIT SUPPLEMENT*</th>
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<tbody>
<tr>
<td>$30,000</td>
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<tr>
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<td>$1,320</td>
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<td>$3,840</td>
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* 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.

For More Information

Budget 2015 Details: www.bcbudget.ca
Ministry of Finance: www.gov.bc.ca/fin

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