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NEWS RELEASE

Balanced Budget 2015 maintains discipline, supports economic growth and job creation

VICTORIA — The B.C. government's third-consecutive balanced budget builds toward a stronger and more diversified economy and delivers additional support to British Columbians who are most in need, Finance Minister Michael de Jong announced today.

Balanced Budget 2015 forecasts a surplus of \$879 million in 2014-15, with further surpluses forecast in all three years of the fiscal plan:

- \$284 million in 2015-16.
- \$376 million in 2016-17.
- \$399 million in 2017-18.

The fiscal discipline that has achieved balanced budgets three years running provides room for modest investments that strengthen and encourage growth in key economic sectors, sustain core public services, and make life a little easier for families and those in need.

Budget 2015 invests new funding over three years to support and strengthen economic growth across the province. Key measures include:

- Continued tax credits and \$6.3 million in new base-budget funding to support B.C.'s mining industry, to continue improvements to permitting and regulatory oversight including increased mine inspections.
- \$25 million over three years to implement the new *Water Sustainability Act*, which will be in force in 2016.
- Transitional incentives over three years to encourage the B.C. cement industry to adopt cleaner fuels and further lower emission intensity.
- Extending the Interactive Digital Media tax credit to 2018 and expanding the Digital Animation or Visual Effects (DAVE) tax credit to include post-production film activities to help keep B.C.'s film and video game industries healthy.

- Helping ensure B.C. businesses can take advantage of Canada's access to the renminbi financial market.
- Partnering with the marine shipping industry to re-establish the International Maritime Centre to help attract more shipping companies and their head offices to Vancouver.

Effective September 1, 2015, child support payments will be fully exempted from income assistance calculations. This translates into an additional \$32 million over three years for some of the neediest children and families in the province. This change will benefit approximately 5,400 children in 3,200 families who currently receive income and disability assistance.

Budget 2015 also provides:

- \$106 million in additional funding over three years for Community Living B.C.
- \$20 million in additional funding for income assistance programs.
- \$5 million to enhance the B.C. tax reduction credit, allowing individuals to earn more than \$19,000 a year before paying any provincial income tax.
- \$3 million for a new children's fitness equipment tax credit, allowing families to claim up to \$250 a year for equipment costs; this is in addition to the existing \$500 children's fitness and arts tax credit.

Approximately 180,000 families will begin receiving the B.C. Early Childhood Tax Benefit starting April 1, 2015. It provides up to \$660 a year for each child under the age of six, to help with the cost of child care. The cost of this program will be \$146 million annually beginning in 2015-16. Also available starting this year is the Training and Education Savings grant—a one-time payment of \$1,200 for every child resident in B.C. who was born since January 1, 2007. As many as 40,000 children may be eligible every year, once they turn six.

The budget reaffirms the B.C. government's commitment to health care with an increase of almost \$3 billion to the Ministry of Health over three years. Additional funding will support hospice services for children and adults. The Province also intends to provide up to \$12.5 million to the Canadian Cancer Society towards establishing a world-class cancer prevention centre in Vancouver.

Kindergarten to Grade 12 education will receive additional funding of \$564 million over three years as government meets its funding commitments for collective agreements negotiated in this sector—including a 33% increase to the Learning Improvement Fund.

Budget 2015 will also invest in \$10.7 billion in new capital projects over the coming three years, helping deliver core services and create jobs across B.C. Investments over the coming three years include:

- \$2.1 billion in post-secondary education, skills and trades training capital spending, including: Emily Carr University of Art + Design Campus; replacement of trades buildings at Okanagan College; renewal and replacement of the trades facility at Camosun College; new facility for the Vancouver Community College and British Columbia Institute of Technology for heavy-duty/commercial transportation trades programs; trades facility at the Nicola Valley Institute of Technology; and funding for new equipment to modernize and increase capacity to support in-demand priority programs.

- \$1.6 billion in K-12 education investments, including: Centennial Secondary, Coquitlam; Oak Bay Secondary, Oak Bay; Kitsilano Secondary, Vancouver; Wellington Secondary, Nanaimo; and Clayton North Secondary, Surrey.
- \$2.9 billion in transportation investments, including: Evergreen Line Rapid Transit, Coquitlam; Cariboo Connector; Hwy. 1: Mountain Hwy. Interchange, North Vancouver.
- \$2.7 billion in health infrastructure, including: Children and Women’s Hospital – Phase 1 and 2, Vancouver; North Island Hospitals, Comox Valley and Campbell River; Interior Heart and Surgical Centre, Kelowna.

The surpluses forecasted in each year of the fiscal plan help keep taxpayer-supported debt affordable. Total taxpayer-supported debt will rise by \$3.7 billion between 2014 and 2018, as operating surpluses and balance sheet management help offset taxpayer-supported capital spending. Over the three-year fiscal plan, direct operating debt, which increased due to deficits during the global economic downturn, is forecast to decline by more than 50% from \$10.2 billion to \$4.8 billion — the lowest level since 1991. Government’s taxpayer-supported debt-to-GDP ratio, a key measure of affordability, improves in each year of the fiscal plan and in 2017-18 is forecast at 16.6%.

The independent British Columbia Economic Forecast Council forecasts provincial real GDP growth to be 2.6% in 2015, 2.8% in 2016 and an average of 2.5% over 2017-2019. Government’s economic growth forecast is 2.3% in 2015, 2.4% in 2016, and 2.3% in 2017 — a forecast that is prudent relative to the Economic Forecast Council.

Quotes:

Minister of Finance Michael de Jong:

“The discipline we showed through the recession to bring the budget into balance has given us the flexibility to make modest, strategic investments that maintain public services like health care and education, as well as strengthen and encourage growth in key economic sectors.”

“*Budget 2015* helps make life a little easier for families and those in need. Starting in September, parents receiving both income and disability assistance and child support payments from a non-custodial parent will be able to keep every dollar they receive in child support over and above what they receive in assistance.”

“The diversity in our economy and export markets have insulated B.C. from the worst of the economic downturn. *Budget 2015* will support further diversification by creating a new partnership with the maritime shipping industry, continuing our partnership with the growing aerospace industry, and helping B.C. businesses tap into the opportunity represented by the new renminbi hub to sell their products and services to China.”

Learn More:

For more details on *Balanced Budget 2015*, visit: www.bcbudget.ca

For online information and services, visit the Province’s website: www.gov.bc.ca

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