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## NEWS RELEASE

### *Building a Better B.C. for Everyone*

VICTORIA — British Columbia's new government has released a budget update that puts people first, Finance Minister Carole James announced today.

The balanced *Budget 2017 Update* forecasts a surplus of \$246 million in 2017-18 and takes key first steps to improve affordability, build better services for everyone, and invest in a strong, innovative economy that creates jobs and works for all British Columbians.

#### ***Making Life More Affordable:***

Government is taking immediate steps to make life more affordable, including:

- \$208 million for the construction of over 1,700 new units of affordable rental housing;
- \$291 million to support the construction of 2,000 modular housing units for people that are homeless and more than \$170 million over three years to provide 24/7 staffing and support services;
- A 50 per cent cut in Medical Services Plan premiums for all British Columbians as a first step toward the elimination of the premiums over the next four years;
- \$472 million to provide an increase of \$100 per month for both income and disability assistance;
- The elimination of tolls on the Port Mann and Golden Ears bridges effective September 1, a move that will save individuals as much as \$1,500 per year and commercial truck drivers \$4,500 a year.

### ***Improving Services:***

Funding is being provided to improve and restore the services British Columbians count on, including:

- A \$681 million increase for our Kindergarten to Grade 12 education system over three years, including \$521 million to improve classroom supports for children for up to 3,500 new teaching positions, \$160 million for enrollment growth and other pressures, along with \$50 million in capital funding to provide the resources needed to help all children succeed;
- \$322 million to provide an immediate and evidence-based response to the fentanyl emergency with prevention, early intervention, treatment and recovery efforts, improved data collection and analysis, along with a new Ministry of Mental Health and Addictions, and increased law enforcement to disrupt the supply chain;
- A new investment of \$189 million over three years through a federal-B.C. agreement that helps our seniors with improved home and residential care;
- \$15 million over three years for the Healthy Kids Program, which provides hearing assistance benefits and improved rates for dental services;
- The restoration of the UBC Therapeutics Initiative providing funding of \$2 million annually for the program, benefiting citizens with evidence based information on proposed prescription drugs while saving health care system costs; and
- \$7 million over three years in new funding for the Residential Tenancy Branch to ensure renters are treated fairly in this province and that the rights and responsibilities of both renters and landlords are clearly understood.

### ***Building a Strong, Sustainable and Innovative Economy:***

*Budget 2017 Update* includes new investments that grow jobs and help develop a strong, sustainable and innovative economy for the people and businesses of the province, including:

- Helping evacuees, communities and businesses impacted by wildfires with \$100 million in supports through the Red Cross along with \$140 million in forest projects focused on wildfire risk reduction, reforestation, wildlife habitat restoration, and raising awareness of the FireSmart program;
- \$19 million for the restoration of free Adult Basic Education and English Language Learning in both the K–12 and post-secondary sectors;
- The establishment of an Innovation Commissioner, Emerging Economy Task Force and the Fair Wages Commission;
- A \$200 a month increase to the earnings exemption for income and disability assistance recipients to help people connect to employment;

- Restoration of the tax benefit for credit unions;
- A reduction in the small business corporate income tax rate from 2.5 per cent to 2 per cent; and,
- Phasing out the PST on electricity to help support industry competitiveness and job growth.

Commitments made in *Budget 2017 Update* are funded by improved revenue forecasts over the fiscal plan period, as well as steps to improve fairness in the tax system, including:

- Introducing a personal income tax rate of 16.8 per cent on taxable income over \$150,000, up from 14.7 per cent; and,
- Increasing the general corporate income tax rate to 12 per cent up from 11 per cent.

The Province will act to reduce carbon emissions by increasing the carbon tax rate on April 1, 2018 by \$5 per tonne of CO<sub>2</sub> equivalent emissions, while increasing the climate action tax credit to support low and middle income families. The requirement for the carbon tax to be revenue-neutral is eliminated so carbon tax revenues can support families and fund green initiatives that help us address our climate action commitments.

B.C.'s economy is strong, and employment, retail sales, housing starts and exports have all exceeded expectations so far this year. The outlook for 2017 real GDP growth is 2.9 per cent, which is prudent compared to the outlook provided by the independent Economic Forecast Council. Private sector forecasters expect B.C. to rank near the top of the provincial rankings in economic growth in 2017 and 2018.

#### **Quotes:**

##### **Minister of Finance Carole James:**

“Less than eight weeks after forming government, we have taken the first steps to invest in the people of B.C. with this budget update. We’ve made some immediate investments while we work toward our first full budget in February. In *Budget 2017 Update*, you’ll see our choices to build a better B.C. for everyone. We’re putting people first by improving the services they need and making their lives more affordable while supporting a strong, sustainable economy that provides good jobs across our province.”