

## BUDGET 2018 SPEECH

### A BUDGET THAT WORKS FOR YOU

Mr. Speaker, I'd like to begin by welcoming everyone in the gallery today. We have been joined in the capital by parents with young children, renters, and homeowners. Advocates, business owners, First Nations and Métis leaders, and mayors and councillors as well as current and former MLAs and many more people who are listening from home or work.

Thank you for joining us for *Budget 2018*. A budget that works for you.

Seven months ago, we were sworn in as a new government. It was clear in the election, as it is now, that British Columbians want a better B.C.

We live in a province rich in people, resources, natural beauty and opportunities. Yet those opportunities have become further and further out of reach for many.

Families are working and can't get ahead. Young people starting out can't find affordable housing. And seniors can't get the services they rely on.

It's time for a different approach. It's time everyone in our province is part of our prosperity.

We took the first steps in the *Budget 2017 Update* to carve a new path to shared prosperity in this province. Now *Budget 2018* continues down that path to a strong, sustainable B.C. that puts people first.

Our first full budget is based on choices that work for the people of our province, because your government should be working each and every day to:

- Make life more affordable,
- Improve the services you count on, and
- Build a strong, sustainable economy that supports jobs in every corner of the province.

Your government is also looking ahead. This budget is not only about what will happen next year. Or over our three-year fiscal plan.

The choices we make today chart a path to what we want our province to look like in 10, 20 and even 50 years. Because a budget is about more than revenues and expenses — it's about people. It's about:

- The entrepreneur building their tech start-up,
- The senior volunteering their time to help their community,
- The single parent who wants to return to work,
- The construction worker building our province,
- The college student deciding what career path to pursue, and
- The young family putting down roots.

It's about the kind of communities we want to live in. It's about the kind of future we all want. It's about a progressive province we can be proud of. It's about a better B.C. for each and every person in this province.

## **PEOPLE-BASED PROGRESS**

Mr. Speaker, *Budget 2018* recognizes that an economy that works for everyone starts with a budget that works for everyone. After all, it is British Columbians who drive our economy. That's why people are at the centre of the choices we are making in *Budget 2018*.

Those choices started when we were sworn in as a new government. In September's *Budget 2017 Update*, we took several important steps to meet some of the province's most urgent needs. We have helped make life more affordable for people by:

- Increasing the minimum wage and setting the path to \$15 an hour,
- Increasing income and disability assistance rates,
- Investing in 1,700 new affordable rental units,
- Addressing poverty by taking the first steps towards B.C.'s first Poverty Reduction Strategy, and
- Eliminating tolls on the Port Mann and Golden Ears crossings.

We improved services by:

- Investing in education to give children the support they need to thrive,
- Providing 2,000 modular supportive housing units for people who are homeless,
- Taking immediate steps to fight the overdose crisis by creating a Ministry for Mental Health and Addictions and funding new treatment and support programs that save lives,

- Removing tuition for former youth in care, and
- Ending fees for English Language Learning and Adult Basic Education in both K-12 and the post-secondary sectors so people can grow and succeed.

Now *Budget 2018* looks ahead. It builds on our progress. It makes choices based on your priorities. And it delivers on our commitments to you as British Columbians.

## **INDIGENOUS RECONCILIATION**

I want to acknowledge that we are on the territory of the Songhees and Esquimalt First Nations. I'm honoured to be part of a government that is committed to learning from, and working with, Indigenous Peoples as we build a path towards reconciliation.

That means a commitment to fully adopting and implementing the United Nations Declaration on the Rights of Indigenous Peoples, and the Truth and Reconciliation Commission's Calls to Action. The Premier has given every minister the responsibility for adopting and implementing the Declaration and Calls to Action. Addressing reconciliation is our shared responsibility, and you'll see support for Indigenous peoples throughout this budget.

*Budget 2018* invests in housing, child care and skills training with more than \$200 million dedicated to Indigenous priorities over the fiscal plan. That includes funding to expand culturally based Indigenous child care. It includes 1,750 new units of supportive housing for Indigenous people — developed in partnership with Indigenous housing societies and First Nations. It invests in the Indigenous Skills Training Development Fund for training and solidifying partnerships between industry and provincial, federal and First Nation governments.

Aboriginal Friendship Centres are also receiving additional funding in this budget. Friendship Centres do incredible outreach work and serve all Indigenous peoples whether they are status, non-status, Métis or Inuit. They provide health, social and dedicated youth programs while fostering a deep sense of community for those they serve. And by investing in Aboriginal Friendship Centres, we are investing in the kinds of relationships our government wants to cultivate with First Nations.

### **Language Revitalization**

There is a strong link between linguistic and cultural identity and social, mental and physical well-being. Revitalization of First Nations languages is a critical part of that link.

Language is fundamental to who we are, where we come from, how we relate to others and what will live on after we are gone. Teaching of language also strengthens the cultural and social health of a community. It encourages children to grow into a future that flows from their rich heritage, and it connects the next generation with those of the past.

Both the Calls to Action and the UN Declaration on the Rights of Indigenous Peoples emphasize the need to preserve and revitalize Indigenous languages.

British Columbia is home to 60% of First Nations languages in Canada, with more than 30 unique languages and 61 dialects. But our First Nations languages are in a state of crisis. Eight languages are severely endangered, and 22 are nearly extinct.

That's why we are committing \$50 million this fiscal year to support the preservation and revitalization of Indigenous languages in B.C. This funding will flow immediately, because there is no time to lose.

## **A MADE-IN-B.C. CHILD CARE PLAN**

Mr. Speaker, I'd like to now talk about the choices we're making in *Budget 2018* that help make life more affordable for people in our province.

The choices start with building a quality child care system that is affordable and accessible.

I have heard from parents here in Victoria, and across the province, that they are anxious about child care. Often this anxiety starts before their baby is even born!

Parents want quality child care that is safe and gives them peace of mind while they are at work. For those parents lucky enough to find a spot, they struggle to afford high child care fees.

Businesses also feel the effects of unaffordable child care. They have told us that economic growth is being hampered. That when a parent can't find child care, it means they lose a worker.

Parents delayed from entering or returning to the work force impact our economy's productivity. The B.C. Business Council, B.C. Federation of Labour, Vancouver Board of Trade, Chambers of Commerce and many municipalities across B.C. have urged the Province to improve access to affordable child care. This would expand the pool of workers available to employers, and also create jobs and provide a lift to B.C.'s economy.

We need to heed the ever-expanding body of research showing us that public spending on child care is a wise social and economic investment. That's why I'm so proud that *Budget 2018* marks the beginning of a made-in-B.C. universal child care plan. It will take time to deliver, and that's why we're starting right away.

*Budget 2018* offers the largest investment in child care in B.C. history with a \$1-billion child care investment over three years to:

- Lower costs for parents,
- Increase the number of child care spaces, and
- Make sure those spaces meet quality care standards.

### ***Affordable Child Care***

Our child care plan starts with two key investments to reduce child care costs for tens of thousands of families across the province.

Starting April 1, 2018, the child care fee reduction program will provide funding directly to licenced care providers. It will provide up to \$350 a month for a child care space. These fee reductions will benefit an estimated 50,000 families per year by 2020/21.

We're also introducing a new affordable child care benefit starting in September 2018. It will provide up to \$1,250 each month per child and will lower costs for an estimated 86,000 families per year by 2020/21.

The highest level of benefits will apply to infant and toddler care because this is often the least affordable and most difficult to find. And families earning less than \$45,000 will pay little to nothing for child care.

Together, this is the largest investment government has made to reduce child care costs in B.C. to date.

### ***Accessible Child Care***

Families have told us that even if they could afford child care, there aren't enough available spaces in their community. For a child care plan to work, there must be more spaces. That's why we're creating more than 22,000 new licensed child care spaces throughout the province.

We're also increasing grant funding to encourage building and maintenance of spaces where they are needed most around the province. And we will work with other ministries, municipalities, school districts and not-for-profit operators to accelerate the creation of new spaces. That work will also include looking for opportunities to include child care facilities in new schools and affordable housing.

We will provide incentives for licensed service providers to offer child care outside of standard business hours. This will help parents who work shifts or weekends or are going to school in the evenings.

And because family-based care is a choice made by many parents, we will also support unlicensed family care providers to become licensed.

### ***Quality Child Care***

Experts like the Coalition of Child Care Advocates of B.C. and the Early Childhood Educators of B.C. have been clear: the quality of the child care system depends on Early Childhood Educators. And we agree.

Our plan to build more child care spaces will mean a higher demand for these professionals. We need to do more to support this important field. We will work with all our partners to develop a comprehensive workforce development strategy. It will look at innovative approaches to training, education and fair compensation.

We're getting started by growing the Early Childhood Educator programs in our colleges and universities. We are also investing \$16 million in federal funding for bursaries and grants that will support certification and professional development opportunities.

Together, it will boost the supply of Early Childhood Educators to meet growing demand and rising quality standards.

### **A Homegrown Plan for Child Care**

Our made-in-B.C. plan sets us on the path to universal child care. It represents real, transformational change in our society.

Our plan will be affordable for families and the Province. It will be accessible for parents so they can get back to work. And it will give parents, grandparents and caregivers peace of mind by meeting rigorous quality and safety standards.

We know that our vision for universal child care requires a shift that will take time. It will take an openness to learn, a commitment to work together and a strong sense of community. I think it is no coincidence that these are values that are at the core of quality child care, and I am incredibly proud to be part of a government that is taking bold steps towards universal child care in British Columbia.

## **EASING HOUSING AFFORDABILITY**

Mr. Speaker, I want to talk about another challenge our government is tackling in this budget: housing.

Housing affordability affects us all. The problem has been ignored for too long and the consequences are being felt throughout B.C. with housing costs skyrocketing.

The result is that renters have seen vacancy rates drop while prices rise dramatically. Students going to college and university have had a hard time accessing affordable housing. Young professionals are faced with moving out of their communities or the province. First-time homebuyers have been sidelined as housing prices soar out of their reach. Seniors struggling to meet rising housing costs on fixed incomes are at risk of homelessness. And parents have told me that they worry their children won't have a safe, secure place to live, let alone be able to afford a home.

People have clearly been hurt by the housing crisis. B.C. businesses and our economy are feeling the effects as well.

Three out of five Vancouver Board of Trade members cite housing unaffordability as a barrier to recruit and keep employees. Nurses, construction workers, teachers, engineers and city workers are building careers, growing families and contributing to our province. They should be able to afford to put down roots.

People want their government to take action. But a piecemeal, reactive approach won't work.

The problem is too complex. The need is too great. That is why we're setting out a comprehensive housing plan that commits to long-term solutions in *Budget 2018*.

## **Curbing Demand**

It starts with taking action to stabilize the market and curb demand. B.C.'s real estate market should not be used as a stock market. It should be used to provide safe and secure homes for families, renters, students and seniors.

That's why we're cracking down on speculators who distort our market.

We will introduce a new annual speculation tax, starting in B.C.'s urban areas. It will tax foreign and domestic speculators. The tax will apply to property owners who don't pay income tax here, including those who leave units vacant. This will penalize people parking their capital in our housing market simply to speculate, driving up prices and removing rental stock.

To curb demand we're also increasing the additional property transfer tax rate — known as the foreign buyers tax — to 20%. We think that foreign buyers should contribute more for the high quality of life they enjoy in our province. Currently this tax only applies in Metro Vancouver. We are extending it to the Fraser Valley, Nanaimo, and Capital and Central Okanagan Regional Districts.

Increasing the tax should help to deter those speculating in B.C.'s housing market. Extending it to other communities ensures that we don't simply push the speculation into neighbouring markets.

Our goal is fairness for the people that live, work and pay taxes here. And we're taking steps to ensure this in *Budget 2018*.

Countering tax fraud starts with better information sharing. So we are changing tax laws to help us verify the information people provide on their property transfer tax and income tax forms. This will help us detect tax fraud and ensure taxes are being paid.

Another way to curb demand is to close real estate loopholes that allow people to skirt our tax laws. We all have heard a story of a condo unit being sold multiple times before a unit is even lived in. We wonder if those people have paid their fair share of taxes. This is unfair to the people trying to buy into the condo market.

We will change legislation to require developers to collect and report comprehensive information about pre-sales assignments. This will allow us to strengthen our audit and enforcement system with the federal government.

Another loophole that's being used is hidden ownership. Numbered companies, offshore and domestic trusts, and stand-in owners hide the true source of the capital that is flowing into our real estate market. A lack of transparency in our land registry means true ownership is not clear. We're going to change that.

First, we will require additional information on beneficial ownership on the property transfer tax form. Second, we will establish a registry of beneficial ownership in B.C. that will be publically available and shared with law enforcement and tax auditors. Third, we will introduce requirements for corporations to hold accurate and up-to-date information on beneficial owners.

These changes will return a sense of fairness to the real estate market for the people of B.C., because the tax system should work for all British Columbians, not just those at the top.

Soaring housing prices have benefitted many people. We think it is fair to ask those who have benefitted from those high prices to give a bit more back. That's why we are increasing taxes on B.C.'s most expensive properties on the value over \$3 million.

Our intent is to bring stability to housing prices with these changes and have revenues to invest in building affordable housing. We recognize these are bold actions. But that's what B.C.'s housing crisis demands.

## **Increasing Supply**

Demand is one half of the affordability equation. Supply is the other half. There is a drastic shortage of affordable housing in this province. Families are squeezed, students are struggling, and seniors are falling through the cracks. We came into government with a vision to fix this, and we are taking action.

We are going to build the homes people need.

These homes will be a mix of housing for students, people with disabilities, seniors and families, and will range from supported social housing to market rental housing.

We will also make significant investments to preserve and protect our existing social housing for the people already living in them. Our commitments will total more than \$7 billion over the next 10 years. This will be the largest investment in housing in the history of our province, building almost 34,000 units across our province, including:

- Units for mixed-income social housing,
- New beds for students at colleges and universities, and
- Units dedicated for people who are homeless.



We know housing affordability can hit renters the hardest and many of our most vulnerable citizens are at risk. That's why our budget boosts two rental assistance programs:

- Our Rental Assistance Program — known as RAP
- And Shelter-Aid for Elderly Renters — known as SAFER

We're going to increase the benefits of the RAP and expand the eligibility of the program so low-income working families will see their average payment increase by approximately \$800 per year.

The seniors who receive SAFER will see their average payment increase by more than \$930 per year. That means we will help over 35,000 households make their rent more affordable.

These are important investments, and they are steps in the right direction for B.C.'s rental supply.

### **Supporting Our Partners**

It's clear that the province cannot fix the housing crisis alone.

We are charting a path to build 114,000 affordable housing units, but this can only be done by building partnerships. It will require focused effort on our part that will be spearheaded by a new HousingHub office at BC Housing.

This office will bring everyone together to facilitate the building of affordable homes. It will develop partnerships to find, use or re-develop available land in communities hardest hit by the housing crisis.

This new HousingHub underlines the importance of partnerships and the coordinated effort it will take to address housing affordability. We're also empowering our partners to make changes in their communities.

Online accommodation providers will pay their fair share of tax with upcoming legislative changes to the PST and municipal and regional district tax — also known as the hotel room tax.

We know that affordable housing is a real challenge in the many communities that rely on the tourism sector. That's why we're going a step further today to change the rules around the hotel room tax.

We are giving local governments the flexibility to use their hotel room tax revenue to build housing in their communities. This will give people that come to visit or work in their communities a place live.

And we are giving the power to strata corporations to levy higher fines for short-term rentals if they choose to do so.

Each community faces its own unique housing challenges. Each community will now have more power and resources to address those challenges locally.

The scale and complexity of our housing affordability challenges mean change will not happen overnight. We will need to join with mayors, businesses and community leaders to speed up approvals and find ways to build more housing, faster. And we will need to develop funding partnerships with the federal government.

The actions our government is taking will give British Columbians greater choice in finding housing near where they work and go to school, because we want diverse, inclusive neighbourhoods. We want communities with safe, affordable housing. We want housing that works for people.

## **ELIMINATING MSP PREMIUMS FOR A FAIR TAX SYSTEM**

Mr. Speaker, you've heard about the changes we are making to the tax system to help housing affordability.

People want a tax system that is fair. They want everyone to pay their share of taxes. And they don't want hidden fees and costs.

I have a clear mandate from the Premier to bring more fairness into our tax system. Since being sworn in as Finance Minister, we have, as part of the *Budget 2017 Update*:

- Cut MSP premiums by 50%,
- Reversed the tax break given to the top 2% of income earners,
- Phased out the PST on electricity to help businesses, and
- Lowered the tax rate on small businesses.

But there is more we can, and should, do.

B.C. is an outlier in Canada as the only province that levies unfair, regressive MSP premiums that penalise families and individuals. Whether a person earns \$60,000 or \$200,000 a year, they pay the same amount. And MSP fees have more than doubled over 16 years.

MSP premiums also impact businesses. They are complex and expensive to administer.

I'm proud to announce that we are eliminating **all** MSP premiums, effective Jan. 1, 2020. That means families will save up to \$1,800 per year. Individuals will save up to \$900 per year.

It will take some pressure off people's pocketbooks. And it will help make our tax system more fair and progressive.

It goes without saying that eliminating the MSP also eliminates a large portion of government revenue. We are making sure we can continue to deliver the services people count on and maintain fiscal responsibility.

That is why we will replace MSP revenue with an Employer Health Tax similar to other provinces. Small businesses with payrolls less than \$500,000 will not pay any payroll tax. Businesses with payrolls between \$500,000 and \$1.5 million will pay a lower rate, and businesses with a payroll over \$1.5 million will pay the full rate.

The revenues raised will be invested in people and the services they count on, healthcare being front and centre.

## **INVESTING IN PEOPLE FOR A STRONG ECONOMY**

The continued success of our province includes strong, sustainable economic growth, and the key ingredient to sustaining that growth is people.

*Budget 2018* focuses on two very important economic issues: child care and housing.

It makes a number of investments in sectors that help create jobs and support our strong, diverse economy, like transportation and agriculture. And it includes enhanced services that seniors, young people and Indigenous communities all count on, like healthcare, education, the arts and justice.

### **Healthcare**

Healthcare receives the largest portion of our budget, year after year. And rightly so — without your health, not much else matters.

Investing in our hospitals is investing in the people we care about. Hospitals are where we welcome babies into this world and where our loved ones undergo complicated surgeries or receive palliative care. We are exploring ways of building, upgrading, expanding and redeveloping hospitals across B.C., from New Westminster to Terrace. And we are investing \$3.1 billion in capital spending in the health sector over the next three years.

This will ensure that healthcare professionals have modern facilities to provide the services British Columbians need.

B.C.'s healthcare system is the envy of many places throughout the world. To sustain and further improve our healthcare system, we're increasing the Ministry of Health's operating budget with more than \$1.5 billion in new funding over the next three years.

The increase includes \$105 million to expand Pharmacare coverage for 240,000 B.C. families. Drug prices have risen and many British Columbians can't afford to take their medications as prescribed. Each day, people are forced to make choices between paying for prescription drugs and putting food on the table.

We can do better.

That's why our changes to Pharmacare eliminate deductibles and family maximums for low-income families. This will help people get the prescription medicines they need but are struggling to afford.

We also recognize that too many British Columbians do not have a regular family doctor. That's why \$150 million over three years will help connect them to team-based primary care with other medical professionals including nurses, mental health practitioners and midwives.

## **Education & Arts**

Investing in our children means investing in our future.

Our children deserve the best education from dedicated teachers and teaching assistants throughout the province. These are the professionals who help shape the young minds of tomorrow. They get kids excited about science, athletics and literacy and teach them how to be good global citizens.

That's why we are hiring more teachers in this budget to bring our total to over 3,700 new hires across the province. This will go a long way to addressing needed support for students and will meet the increased need for qualified teachers in schools. And because both teachers and young children need safe, accessible classrooms to learn in, we are dedicating \$2 billion over the fiscal plan to maintain, replace, renovate or expand schools across B.C., from Surrey to Prince George.

This funding will help bring more schools up to seismic codes, improve playgrounds and create more learning spaces for our young minds to explore. We're engaging young minds who could become the creative thinkers, artists and innovative problem-solvers of tomorrow.

\$15 million dollars over three years will further help the BC Arts Council support artists and cultural organizations in communities across B.C. This is in addition to the \$24 million already allocated in the Council's annual budget. And an additional \$3 million will be invested in Creative BC, an organization that helps grow and develop B.C.'s creative economy through film, digital media, music and publishing.

## **Opportunities and Access for People**

The people who need our support the most have been overlooked in our province for too long.

The transportation needs of some of our most vulnerable citizens have been ignored, dismissed, or worse — clawed back. I'm proud to say that we reversed the poor decision to claw back bus passes for people receiving disability assistance. \$214 million over three years is an investment our government is not only willing, but are proud to make. It means more than 100,000 people with disabilities can travel more freely in their communities, and connect with the services they depend on.

Seniors are another group who have seen their services cut back. We're investing \$548 million over three years to hire qualified support staff and improve the quality of residential seniors care.

Seniors are living longer, fuller lives than ever before. They contribute to our province and they deserve to live their lives with dignity and respect. This investment will give seniors better care and help them stay in their homes longer.

Our most vulnerable youth have also been ignored for too long. Grand Chief Ed John's report on Indigenous child welfare highlighted that Indigenous children and youth are 15 times more likely to be taken into government care than non-Indigenous children.

As a government, we're doing all that we can to support Indigenous communities and to keep Indigenous children at home, with their families. And those who are or who have been in care deserve our help. After all, government is their guardian and has a responsibility to help a child grow and embark on their life as an adult.

Youth who are aging out of foster care have higher rates of drug dependency, homelessness, school drop-out rates and income assistance reliance. It's not the fault of youth: it's the fault of a failed system.

Last September, we announced a significant expansion to the Tuition Waiver program for young people who were formerly in care to attend post-secondary schooling or training. Last year, 189 students went to college, university or training facilities through this program. Since last September's investment and expansion of the program, 229 young adults received tuition waivers in just four months.

Now, in *Budget 2018*, we are building on this work by adding \$30 million over the fiscal plan to enhance the Agreements with Young Adults program. These changes will increase monthly financial supports for more than 800 former youth in care.

We have seen what these young people can do when they have support and guidance as other young adults when they do leave home. This funding will ensure more young people do not feel alone, and have help with rent, groceries and career advice to help them on their path to adulthood.

People deserve to live in safe communities. And everyone has the right to live without fear or violence.

For too long, support for women who are survivors of violence has been lacking. These women, and often their children, need our help to escape the vicious cycle of abuse.

In the fall, we invested \$5 million to help expand vital services such as counselling, outreach, and crisis support. In this budget, we are again standing with survivors of violence with a commitment to ongoing funding of \$18 million over three years to increase supports for them. Our housing plan also earmarks \$141 million to start building 1,500 housing units for women and children fleeing abusive relationships. This will increase services available to victims, including counselling, a safe place to live and relocation support.

Safety goes hand in hand with access to affordable, quality legal services. Over the years, cuts to legal aid and reductions in family law services have left people without legal representation and torn families apart. That's why we're expanding legal aid, including Indigenous and family law services, with a \$26 million dollar investment over the fiscal plan. We are also investing \$10 million dollars over three years to fund new family dispute resolution services and increase digital access to justice services to better reach people all over the province.

### **Supporting Economic Growth: Transportation & Agriculture**

Continued economic growth in this province is dependent on the diversity of investments we make to sectors that British Columbians depend on, like our transportation and agricultural sectors. But people who rely on our coastal ferry system are also at a disadvantage.

BC Ferries is part of our highway system. It should work for the people who use it. Ferry costs have skyrocketed, putting Islanders at a disadvantage that is both costly and unfair. Transportation and businesses are feeling the pinch too.

*Budget 2018* helps BC Ferries, and other important transportation links, work for British Columbians. We're freezing fares on all three major BC Ferries routes. We're rolling back fares on non-major routes by 15%. And we are fully restoring Monday-Thursday passenger discount rates for seniors.

As well, government knows that the Pattullo Bridge is an important link between Surrey and Greater Vancouver, but it must be replaced. We've prioritized this in *Budget 2018* and have allocated \$605 million over three years to fund the initial stage of that project.

Nearly 70,000 cars and trucks cross the Fraser River via the Pattullo every day, bringing people to work and home, and goods to market. Replacing the bridge will improve safety for commuters and get people home to their families, faster. It will also help facilitate the transport of goods locally.

To help bolster our international exports, we are investing in the programs that help get our goods to global markets. We have so much to offer the rest of Canada and the world in terms of our high-quality fruit, vegetables, seafood, wine, craft beer and agrifood.

With *Budget 2018*, we're investing \$29 million over three years in B.C.'s agriculture, food and seafood sectors through Grow BC, Buy BC, and Feed BC programs. Supports for farmers, better local marketing efforts and groundwater protections that come from this investment will help:

- Support our vital agricultural land reserve, and
- Improve B.C.'s brand recognition for the food we sell in Canada and internationally.

### **BC Parks, Climate Action & Wildfires**

We live in a province that is geographically blessed. We are incredibly lucky to have our mountains, rivers, oceans and lakes. Keeping our BC Parks as destinations for locals as well as tourists requires resources and trained staff.

That's why we are adding \$5 million over three years to the BC Parks budget to ensure that 1,900 new campsites will meet the standards that British Columbians and nature lovers from around the world expect.

We are also allocating \$9 million to hire 20 Conservation Officers and enhance programs that reduce human-wildlife conflict through education, innovation and cooperation. And \$14 million over three years will help develop and implement a revitalized B.C. wildlife management initiative to better protect wildlife through conservation, bio diversity and habitat protection.

In partnership with B.C.'s Green Party Caucus, government is re-committing B.C. to a cleaner, greener future by:

- Reducing greenhouse gas emissions,
- Increasing B.C.'s carbon tax rate,
- Growing our clean economy by investing in green initiatives, and
- Supporting B.C.'s transition to a low-carbon economy.

Starting April 1, 2018, we will increase the carbon tax rate by \$5 per tonne of CO<sub>2</sub> each year, reaching \$50 per tonne in April 2021. And to help families that need it, we are increasing the climate action tax credit by an additional \$40 million. Additional relief will be provided in future years as the carbon tax increases.

B.C.'s industries are vital to our provincial economy and we want them to prosper, to be competitive and to help us reach our emissions targets. To achieve this, B.C. is creating a new clean growth incentive program that will reward industry for changing the way they do business to better align with the world's cleanest performers. Over the coming months, the Minister of Environment and Climate Change Strategy will consult with businesses, First Nations, experts and the public on the details of the program.

By being open to innovation and bringing industry on board, we will build a stronger economy by being a leader on climate action.

We must act now, because the effects of climate change are already at our doorstep. Wildfires are unpredictable, but we know they will worsen with climate change. We need to do more in communities to support our province's response to wildfires.

That's why *Budget 2018* invests an additional \$72 million over three years to help communities better prepare for, and respond to, wildfires and to provide further wildfire recovery support.

Through record levels of investment, we are responding to the most urgent needs throughout B.C. for the benefit of all British Columbians. These investments will result in real changes at the community level, and they will support strong, sustainable growth that British Columbians can benefit from for generations to come.

## **JOBS & ECONOMY**

Our government is focused on building a strong economy in every corner of our province where people are rewarded for hard work with good wages, job security and a safe place to build their career.

You've heard that a lack of affordable, quality child care for parents is hampering businesses' ability to retain a reliable workforce. And that a lack of affordable housing is a real barrier to business growth. That's why we are taking bold action on both fronts to help businesses create more jobs, and improve their ability to recruit and retain workers.

*Budget 2018* invests \$26 billion over three years in capital spending on schools, hospitals, roads, bridges and other infrastructure — the highest level in B.C.'s history. This investment will create well-paying, long-term work for British Columbians in a variety of sectors in every corner of our province.

These large numbers mean a lot to the people who will see that investment returned to them by way of improved roads, new hospitals and expanded schools, as well as the 50,000 direct and indirect jobs created in every corner of B.C. during the construction of \$9 billion-worth of major taxpayer-supported capital projects going on in communities.

B.C.'s economy continues to generate full-time employment, with 4,100 new full-time jobs created last month. And we continue to have the lowest unemployment rate in Canada.



We're building on these successes by supporting job creators throughout the province. We have already seen companies add jobs in the high-tech, transportation and resource sectors in Vancouver, Prince Rupert, Prince George and across our province. And the recent appointment of Alan Winter as B.C.'s Innovation Commissioner will help us create new opportunities for B.C. tech companies.

These companies signal a strong international endorsement of B.C.'s economy and talent pool, and along with B.C.'s small businesses, they help to create jobs that families can depend on.

In fact, small businesses across B.C. accounted for about 45% of job creation in our province recently. We know we need to support the success of small businesses. That's why we immediately cut the small business tax rate from 2.5% to 2.0%, and why we are establishing the Small Business Task Force, to help us better understand their needs so we can create the best policies to help them thrive.

As of Jan. 1, 2018, B.C. businesses saw savings with a 50% cut to PST on non-residential electricity, and we're completely eliminating the PST on non-residential electricity on April 1, 2019.

This translates into savings of more than \$150 million annually for B.C. businesses. This will help them create more jobs and a sustainable economy for British Columbians. And it will help businesses expand into new markets and reinvest in the technology of tomorrow.

## **PRUDENT FISCAL MANAGEMENT FOR A BALANCED ECONOMY**

Mr. Speaker, *Budget 2018* is balanced. We've had to face some very tough choices to build a balanced budget.

We inherited financial burdens that should have been acted on earlier. The years of poor choices and neglect at ICBC mean they are forecasting an over \$1.3 billion loss this fiscal year. These losses have put real pressures on our fiscal plan, and for future years.

Last year, we also faced an unprecedented wildfire season. We were proud to support the communities and businesses that were facing the wildfire threat. The end result was significant with wildfire costs now reaching more than \$870 million in 2017/18.

With these pressures, it is more important than ever to focus on those we are here to serve: the people of our province.

What's different about this budget, and indeed this government, is that we understand the concept of balance.

Previous budgets have emphasized fiscal balance. But they didn't balance this fiscal prudence with British Columbian's priorities.

We are economic leaders in Canada. But we can't consider ourselves leaders if we are not sharing the prosperity of our province with the British Columbians who helped build it.

This budget is balanced in its approach. And it is fiscally balanced.

B.C. continues to outperform economic expectations, and we are the only province rated triple-A by each of the international credit rating agencies. In January, 2.49 million people had jobs — a near-record level for B.C. We continue to have the lowest unemployment rate across Canada, and private sector forecasters expect B.C. to rank near the top of the provincial rankings in economic growth in 2018 and 2019.

This is good news for British Columbians and our future. These positive economic indicators translate into good jobs and growth opportunities in communities, and they go hand in hand with key investments in people and services that will help drive future economic growth.

We are committed to building on this growth as we deliver on our commitments to British Columbians. However, we must be aware of risks when it comes to our bottom line.

We continue to be careful managers of the public's tax dollars. That is why this budget keeps a comfortable forecast allowance of \$350 million and why we have set aside \$550 million in contingencies for next fiscal year.

Mr. Speaker, this leaves us with a total projected surplus of \$219 million, as well as surpluses in the two years following. Our debt remains affordable. Our debt-to-GDP ratio is expected to remain below 16% over the fiscal plan period. And our debt-to-revenue ratio has improved since September's *Budget 2017 Update* and is forecast to stay below 90%.

These numbers mean that we can look ahead and feel confident in the stable, steady economic growth of our province.

## CONCLUSION

Make no mistake: B.C. is a wealthy province.

We are rich in resources. We are rich in community and talent. We are rich in the diversity of our people. But we've become divided by choices that didn't put people first.

Ultimately we all want the same things:

- To live in a safe, vibrant community.
- To take pride in the work that we do.
- To help our friends, family and neighbours.
- And to be provided with opportunities to succeed.

*Budget 2018* lifts people up. It makes a historic investment to take care of our children. It takes bold steps to tackle the housing crisis. It invests in record levels of infrastructure to create jobs and spur economic growth in every corner of our province.

A budget needs to positively impact your life. The investments we are making today have been carefully considered with one thing in mind: what actions can we take today to build a better future for British Columbians?

And that starts with putting people at the centre of the choices we make every day.

Mr. Speaker, we have charted a more affordable, balanced and hopeful vision for B.C. with *Budget 2018*.

To the people of British Columbia, I want to say this:

*Budget 2018* is a budget that works for you, because this is your province. We are your government, and we are working for you.

Thank you.