

MAKING LIFE BETTER
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BUDGET 2019



British Columbia is a remarkable place filled with unmatched natural beauty, hard-working people and a thriving economy. But a truly prosperous economy needs to work for everyone. It needs to create

opportunities for people now, while meeting the challenges of tomorrow.

We're working hard to make life better by delivering improved health care, education and child care for your family. Budget 2019 puts money back into the pockets of British Columbians and creates opportunities so that every person can reach their full potential with the new B.C. Child Opportunity Benefit, the elimination of interest from B.C. student loans and MSP premiums, and the largest infrastructure investment in B.C. history.

Budget 2019 moves forward with CleanBC, putting our province on the path to a low-carbon economy that creates opportunities while protecting our clean air, land and water.

On the road to advancing true and lasting reconciliation with Indigenous peoples, Budget 2019 introduces a historic 25-year revenue-sharing agreement with First Nations, meaning billions of dollars in stable, long-term funding for First Nations communities.

Budget 2019 works to ensure that everyone has the opportunities they need to succeed. The investments we're making will help us build a strong, sustainable economy that works for people today, and for generations to come.



HONOURABLE CAROLE JAMES
MINISTER OF FINANCE AND DEPUTY PREMIER

MAKING YOUR LIFE MORE AFFORDABLE

OUR GOVERNMENT IS PUTTING PEOPLE FIRST AND WE ARE WORKING HARD TO MAKE LIFE MORE AFFORDABLE FOR YOU AND YOUR FAMILY.

Last year, we began one of the biggest middle-class tax cuts in B.C.'s history by cutting Medical Services Plan (MSP) premiums by 50%. This put \$450 for individuals and \$900 for families back into people's pockets.

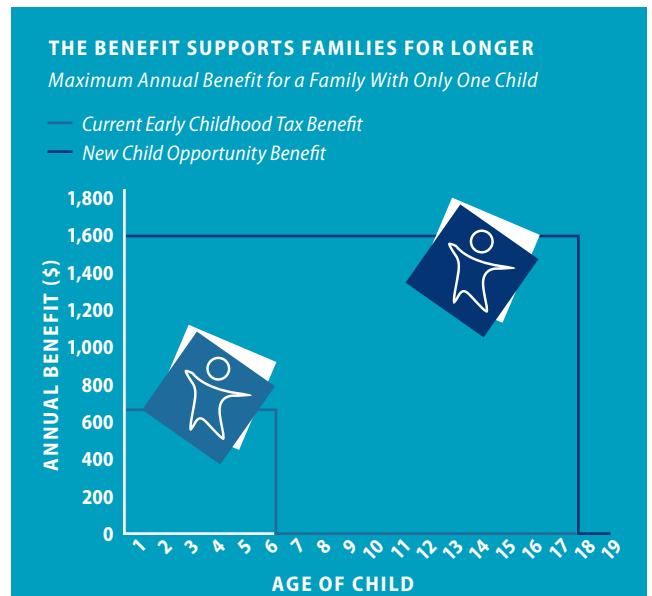
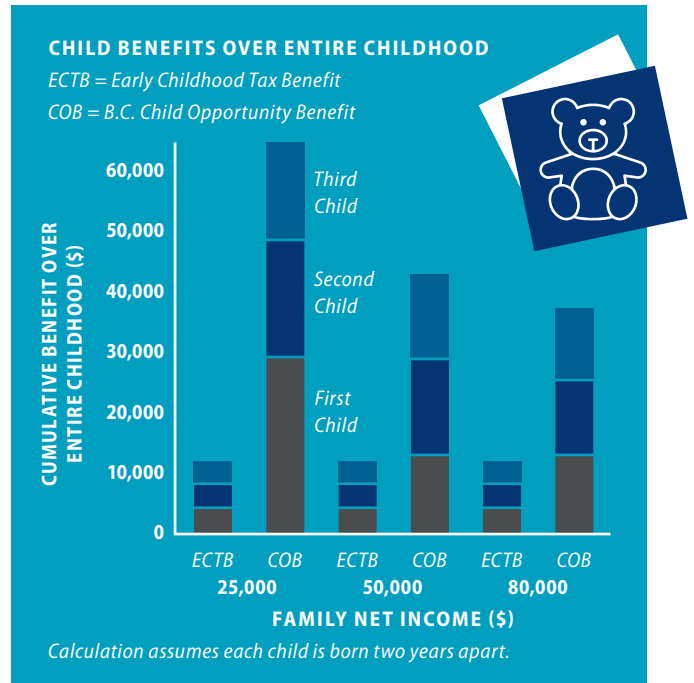
Budget 2019 fully eliminates MSP premiums on January 1, 2020, saving families as much as \$1,800 per year.



B.C. CHILD OPPORTUNITY BENEFIT

EVERY CHILD IN B.C. SHOULD HAVE THE OPPORTUNITIES THEY NEED TO THRIVE.

Budget 2019 introduces the new B.C. Child Opportunity Benefit to put more dollars back into the pockets of middle-class families. The benefit replaces the Early Childhood Tax Benefit, providing families with significantly more support for three times as many years. Starting in October 2020, families with one child will receive up to \$1,600 per year, those with two children will receive up to \$2,600, and those with three children will receive up to \$3,400.



MADE-IN-B.C. CHILD CARE PLAN

To care for kids and lift families up, our government has made the largest investment in child care in B.C.'s history. Over the next three years, our government is investing more than \$1.3 billion in quality, affordable, accessible child care.

- » Delivering a fee reduction for parents of children in licensed care of up to \$350 per month, \$4,200 per year, for more than 52,000 child care spaces
- » Introducing the Affordable Child Care Benefit, which is available to all families in B.C. earning up to \$111,000, saving them up to \$15,000 per year, per child
- » Providing \$237 million over three years to support the creation of 22,000 new licensed child care spaces

TOGETHER, THE B.C. CHILD OPPORTUNITY BENEFIT, THE AFFORDABLE CHILD CARE BENEFIT, AND THE FEE REDUCTION FOR LICENSED CHILD CARE SPACES WILL PUT UP TO \$20,000 BACK INTO THE POCKETS OF B.C. FAMILIES WITH ONE CHILD, AND UP TO \$28,000 WITH TWO CHILDREN, EACH YEAR.

SUPPORTING CAREGIVERS



Budget 2019 addresses serious inequities when it comes to caring for some of the most vulnerable people in B.C., from kids in care to people living with disabilities. After years of neglect, we are investing in care and caregivers to help those who need it most to live a better life.

- » Community Living BC homeshare providers will see the first increase to their compensation since 2009
- » Family-based caregivers looking after children will see their support payments increase by \$179 per month starting April 1, 2019, the first increase in a decade
- » Extended family, like grandparents and aunts who support children and keep them out of care, will have their support payments increased to match those of foster parents

ELIMINATING INTEREST ON B.C. STUDENT LOANS

British Columbians graduating from post-secondary institutions are being saddled with too much debt. Higher education should open doors, not make it harder to get ahead.

TO HELP YOUNG PEOPLE AND NEW FAMILIES GET OFF TO A GOOD START IN THEIR LIVES AND CAREERS, WE ARE ELIMINATING INTEREST FROM ALL B.C. STUDENT LOANS AS OF FEBRUARY 19, 2019, HELPING ANYONE WITH AN OUTSTANDING STUDENT LOAN TODAY.

For example, someone with \$11,200 in provincial loans or \$28,000 in combined federal and provincial loan debt will save approximately \$2,300 in interest charges on their B.C. student loan over a 10-year repayment period.

BEFORE:

\$2,300 B.C. student loan interest over 10 years

\$2,300

AFTER:

\$0 B.C. student loan interest over 10 years

\$0

\$2,300 in SAVINGS



RAISING ASSISTANCE RATES FOR PEOPLE WHO NEED SUPPORT

One of the first things we did when we formed government was to increase income and disability rates. It was the first meaningful increase to assistance rates in 10 years and was the first step in helping vulnerable people build a better life.

BUDGET 2019 INCREASES INCOME AND DISABILITY RATES BY \$50 A MONTH. SINCE 2017, GOVERNMENT HAS INCREASED RATES BY \$150 PER MONTH, OR \$1,800 A YEAR.

HOMES FOR B.C.: PROGRESS REPORT

**FOR PEOPLE LIVING PAYCHEQUE TO
PAYCHEQUE, AN UNEXPECTED EXPENSE
— LIKE HAVING YOUR CAR BREAK DOWN —
CAN STRETCH A FAMILY’S MONTHLY
BUDGET TOO FAR.**

If you’re going through a tough time, that shouldn’t result in your family losing their home. Seven communities in B.C. currently operate rent banks, which provide short-term loans with little to no interest to low-income tenants who can’t pay their rent due to a financial crisis.



BUILDING NEW AFFORDABLE HOMES AND MODERATING THE MARKET

**HOMES FOR B.C. LAID OUT AN AMBITIOUS
PLAN TO BUILD 114,000 AFFORDABLE HOMES
OVER 10 YEARS.**

In just the first year, 17,000 homes are already built or underway, including:

- » 4,900 new affordable, mixed income rental homes
- » More than 2,000 new modular homes
- » 280 new transition homes for women and children leaving violence and abuse
- » 2,295 new homes for students on campuses
- » 1,750 new units of social housing both on and off reserve for Indigenous peoples

Over the past year, we have taken significant steps to moderate B.C.’s housing market and make homes more affordable for British Columbians. This includes:

- » Taxing speculators and vacant homes that are driving up housing costs; and
- » Increasing the foreign buyers tax rate to 20% and expanding it to areas outside of Metro Vancouver



In less than a year, we’re already starting to see results. For example, over the past six months, the benchmark price for single family homes in Greater Vancouver has decreased by 8.3%, condo prices are down 6.6%, and townhome prices are down 6.2%.

GREATER SECURITY FOR RENTERS

Homes For B.C. has increased security for renters by:

- » Increasing benefits to low-income working families by an average of \$800 per year, under the Rental Assistance Program
- » Limiting rent increases to the rate of inflation — saving someone paying \$1,200 per month in rent \$288 this year
- » Closing the fixed-term lease loophole and eliminating the geographic rent increase clause
- » Strengthening protections and compensation for manufactured home park tenants facing eviction
- » Delivering more robust protection for people threatened by potential renovictions and demovictions



Increasing benefits to seniors living independently by an average of \$930 per year, under the Shelter Aid for Elderly Renters (SAFER) program, will increase security for seniors.

DELIVERING BETTER SERVICES FOR YOUR FAMILY

HOSPITALS AND URGENT PRIMARY CARE CENTRES

Budget 2019 invests more than \$1.3 billion in total health spending over three years, which means more doctors and nurses, and shorter wait times for you and your family.

- » From Terrace to Dawson Creek to North Vancouver, we are building, renovating, and expanding hospitals to meet health care needs today and for future generations
- » More funding for the BC Cancer Agency, increasing the number of cancer-related surgeries, diagnostic imaging, expanding PET and CT scans and increased chemotherapy demands
- » Supports for the BC Children's and Women's hospitals to provide services for women, children, newborns and families



Since 2018, we added more than 800 hours of MRI operating time per week and are on track to provide 37,000 more MRI exams throughout the province this year than we did last year.

FAIR PHARMACARE

More than 240,000 B.C. families' prescription medication became more affordable this January thanks to an investment of \$105 million in the Fair PharmaCare program.

As of January 1, 2019, households earning up to \$45,000 in net income annually are saving between \$300 and \$600 in deductibles, making prescription drugs more affordable to people when they need them.



A new investment of \$42 million will cover more drug options, including drugs that treat pulmonary arterial hypertension, diabetes, asthma and eye infections.

MENTAL HEALTH



As part of Budget 2019, we are moving forward with a \$74 million investment to improve access to mental health care for children and youth.

- » More Foundry centres for youth 12-24 to bring integrated services under one roof
- » More programs, including in schools, for parents and families to support kids' early years development
- » More specialized family care and day treatment for young people that meets their needs

EDUCATION

Budget 2019 invests \$2.7 billion to maintain, replace, renovate and expand K-12 facilities over the next three years, including:

- » A new, seismically safer school for Burnaby North Secondary
- » Seismic upgrades for Mountainside Secondary in North Vancouver
- » A replacement school for Walnut Park Elementary in Bulkley Valley
- » A new Northeast Elementary School in Fort St. John
- » An expansion for Royal Bay Secondary in the Sooke School District
- » A new school for South Side Area Elementary-Middle school in Chilliwack
- » A new Lake Country Jr Middle School in Central Okanagan
- » An expansion for Sullivan Heights Secondary in Surrey

WE ARE CREATING 5,500 NEW STUDENT SPACES THROUGHOUT B.C. TO HELP MOVE KIDS OUT OF PORTABLES AND INTO CLASSROOMS, ALONG WITH NEW OR UPGRADED PLAYGROUNDS AT SCHOOLS.

Budget 2019 delivers over \$550 million in additional support for our public education system. This includes an increased investment of \$58 million for the Classroom Enhancement Fund, including hiring more than 4,000 new teachers.

INVESTING IN A STRONG, SUSTAINABLE ECONOMY THAT WORKS FOR YOU

CLEANBC

Budget 2019 lays out new funding for CleanBC initiatives totaling \$902 million over three years — making sure that we can meet our climate commitments and protect our clean air, land and water.

THIS INCLUDES \$41 MILLION OVER THREE YEARS TO MAKE ENERGY-SAVING IMPROVEMENTS MORE ACCESSIBLE AND AFFORDABLE FOR ALL BRITISH COLUMBIANS.

To save families money on their renovation costs, we are supporting clean energy retrofits for peoples' homes. People can receive:

- » \$2,000 to replace a fossil fuel (oil, propane or natural gas) heating system with an electric air-source heat pump
- » Up to \$1,000 to upgrade their windows and doors to be better insulated
- » Up to \$700 toward a higher efficiency natural gas furnace

We are investing tens of millions of dollars to make zero-emission vehicles more affordable for people in B.C. This will save people up to \$6,000 on their purchase, and approximately \$1,500 per year in gas costs.

WITH BUDGET 2019, WE ARE BOOSTING THE CLIMATE ACTION TAX CREDIT IN 2019, 2020 AND 2021.

Effective July 1, 2019, the maximum annual climate action tax credit will be 14% higher for adults and children, meaning low and middle-income families of four will receive:

- » Up to \$400 starting July 1, 2019, and
- » \$500 starting July 1, 2021



Making zero-emission vehicles more accessible also means having the infrastructure in place to support their use:

- » \$20 million for new public fast-charging stations and hydrogen fueling stations
- » \$6 million to support the clean energy vehicle sector, including training programs for automotive technicians and electricians



CleanBC will help B.C. seize new low-carbon opportunities around the province, mobilize our skilled workers, and reduce climate pollution.

We understand tackling climate change isn't the same in every community. That's why we're investing \$15 million this year to make sure remote communities are supported as they switch to cleaner energy.

WILDFIRE MANAGEMENT

Budget 2018 began with a \$72 million investment to support wildfire resilience and recovery efforts in communities. Budget 2019 provides an additional \$111 million over three years to strengthen B.C.'s efforts to prevent and respond to wildfires, and \$13 million for forest restoration in areas damaged by disease and wildfires.

CONNECTING OUR COMMUNITIES

WE ARE BUILDING THE ROADS, HOSPITALS AND SCHOOLS B.C. NEEDS WITH AN INVESTMENT OF MORE THAN \$20 BILLION IN INFRASTRUCTURE IN COMMUNITIES THROUGHOUT THE PROVINCE, SUPPORTING TENS OF THOUSANDS OF JOBS DURING CONSTRUCTION.

To meet current and future transportation needs and keep people moving, we are investing \$6.6 billion in transportation projects, including:

- » Replacing the Pattullo Bridge
- » Building the Broadway subway
- » Four-laning Highway 1 through Kicking Horse Canyon
- » Replacing the Bruhn Bridge in Sicamous

We're investing in better public transit with an additional \$21 million to expand BC Transit services in 30 communities across the province.

TRUE AND LASTING RECONCILIATION

TOGETHER WITH INDIGENOUS PEOPLES, WE ARE TAKING CONCRETE ACTION TO SUPPORT HEALTHY COMMUNITIES AND BUILD A BETTER FUTURE FOR EVERYONE IN B.C.

REVENUE SHARING

As part of Budget 2019, B.C. First Nations will now have a stable, long-term source of funding to invest in self-government, cultural revitalization and services that make life better for families.

This commitment means approximately \$3 billion in shared provincial revenue over the next 25 years to support First Nations communities, including an estimated \$300 million over the next three years.

This historic commitment to advance reconciliation builds on the other work we are already doing:

-  Modernizing the Environmental Assessment process
-  Implementing Grand Chief Ed John's recommendations to help keep Indigenous children out of care
-  \$550 million over 10 years to support the construction of 1,750 affordable housing units for on- and off-reserve
-  \$50 million towards the work of the First Peoples' Cultural Council and First Nations communities to revitalize Indigenous languages
-  A new K-12 curriculum that makes sure all children in British Columbia are taught about Indigenous culture and history

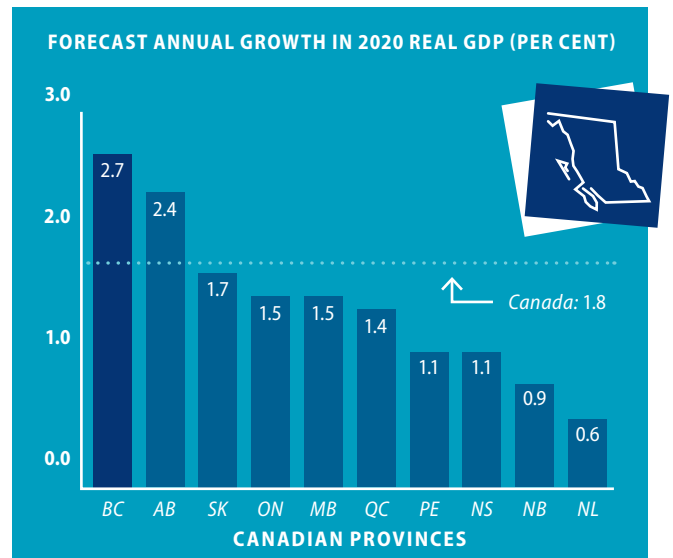
RESPONSIBLE FISCAL MANAGEMENT

Over the next three years of the fiscal plan, government will continue to run surpluses of \$274 million, \$287 million, and \$585 million in 2019–20, 2020–21, and 2021–22 respectively. B.C. remains the only province with a AAA credit rating from all three major international rating agencies and our debt-to-GDP ratio is at its lowest point since the 2008 financial crisis.

CAREFUL FISCAL MANAGEMENT ALLOWED THE GOVERNMENT TO ELIMINATE BRITISH COLUMBIA'S OPERATING DEBT IN Q2 OF THE 2018–19 FISCAL YEAR FOR THE FIRST TIME IN 40 YEARS.

B.C. IS AN ECONOMIC LEADER IN CANADA

British Columbia's economy is strong and is projected to lead the country in growth in 2019 and 2020.



B.C. has the strongest economy in the country with the highest projected real GDP growth, lowest unemployment rate, and biggest wage gains nation-wide. Last year, wages in British Columbia increased by 4.1%, leading all of Canada. This is the strongest wage growth in B.C. in a decade.

B.C.'S UNEMPLOYMENT RATE REMAINS THE LOWEST IN CANADA — FOR THE 17TH MONTH IN A ROW — AT 4.7% IN JANUARY 2019. PRIVATE SECTOR JOBS HAVE FUELLED EMPLOYMENT GROWTH IN THE PROVINCE, WITH AN INCREASE OF 64,800 IN THE PAST YEAR.

MAKING LIFE BETTER FOR YOU

BUILDING ON GOVERNMENT'S COMMITMENT TO AFFORDABILITY, BUDGET 2019 PUTS MORE MONEY BACK INTO FAMILIES' POCKETS WITH MAJOR INVESTMENTS IN PROGRAMS AND TAX CUTS TO MAKE LIFE BETTER FOR WORKING AND MIDDLE-CLASS FAMILIES.

A typical family of four earning \$70,000 and living in Metro Vancouver could save as much as \$26,675 per year and \$8,000 in one time savings, thanks to:

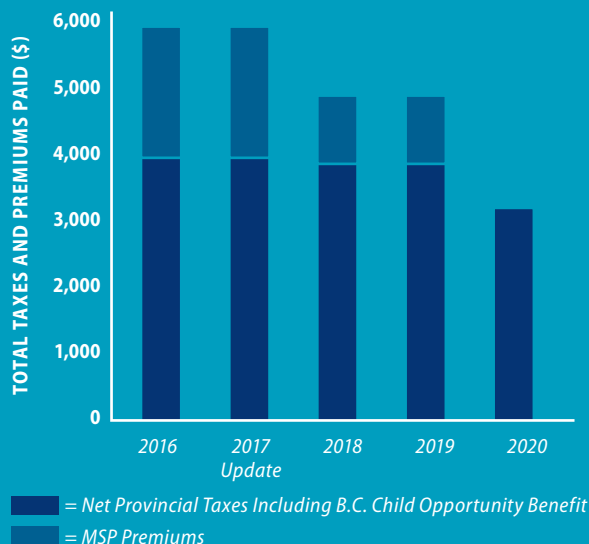
- » MSP elimination — up to \$1,800 per year
- » Student loan interest removal — an individual with \$10,000 in provincial loans saves approximately \$200 per year in interest charges after graduation
- » B.C. Child Opportunity Benefit — up to \$1,380 per year
- » Affordable Child Care Benefit — up to \$14,895 per year
- » Child Care Fee Reduction Initiative — up to \$5,400 per year
- » Elimination of Port Mann and Golden Ears Tolls — up to \$1,500 per year
- » Electric vehicle savings — up to \$6,000 when purchasing an electric vehicle and approximately \$1,500 per year in gas costs
- » Heat pump savings — up to \$2,000 to replace a fossil fuel heating system

BY 2020, TOTAL SAVINGS OF UP TO:

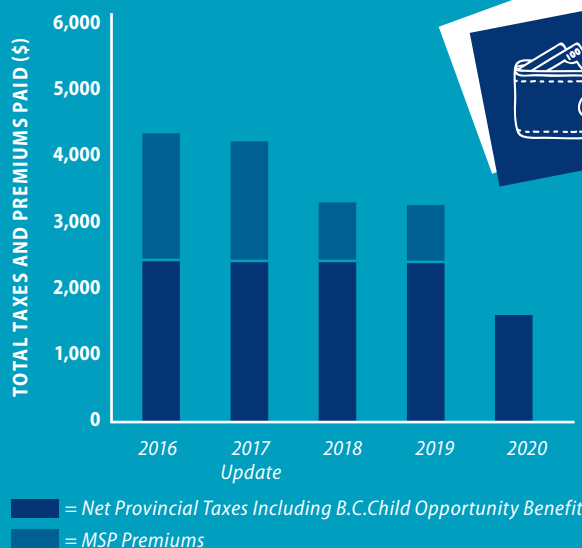
- » \$26,675 per year, and
- » 8,000 in one-time savings



BY 2020, A FAMILY OF FOUR EARNING \$80,000 WILL SAVE ALMOST \$2,400 IN TAXES



BY 2020, A FAMILY OF FOUR EARNING \$60,000 WILL SAVE ALMOST \$2,500 IN TAXES



FOR MORE INFORMATION

Budget 2019 Details: www.bcbudget.ca
 Ministry of Finance: www.gov.bc.ca/fin



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