

Gillezeau, Rob FIN:EX

From: Gillezeau, Rob FIN:EX
Sent: Thursday, March 8, 2018 12:54 PM
To: Moran, Roseanne LASS:EX
Cc: May, Ed LASS:EX; Krog, Leonard Eugene
Subject: Re: Timing for Min James

We're coming up from a rating agency lunch so later might be easier if possible

Sent from my Samsung Galaxy smartphone.

----- Original message -----

From: "Moran, Roseanne" <Roseanne.Moran@leg.bc.ca>
Date: 2018-03-08 12:52 PM (GMT-08:00)
To: "Gillezeau, Rob FIN:EX" <Rob.Gillezeau@gov.bc.ca>
Cc: "May, Ed LASS:EX" <Ed.May@leg.bc.ca>, "Krog, Leonard Eugene" <s.17>
Subject: Re: Timing for Min James

She can do it at the start if that works.

From: Gillezeau, Rob FIN:EX <Rob.Gillezeau@gov.bc.ca>
Date: March 8, 2018 at 12:47:34 PM PST
To: Moran, Roseanne <Roseanne.Moran@leg.bc.ca>
Subject: Timing

Just wanted to confirm if Mcj's 2 minutes will be early or late in the caucus period

Sent from my Samsung Galaxy smartphone.

Gillezeau, Rob FIN:EX

From: Gillezeau, Rob FIN:EX
Sent: Thursday, March 8, 2018 10:48 AM
To: May, Ed LASS:EX
Subject: Can you give me a ring?

Thanks!

Rob Gillezeau
Senior Ministerial Assistant
Minister of Finance and Deputy Premier
250-413-7048

Henry, Molly FIN:EX

From: Henry, Molly FIN:EX
Sent: Tuesday, February 20, 2018 1:49 PM
To: Moran, Roseanne LASS:EX; May, Ed LASS:EX; Scott, Samantha LASS:EX; Vasilev, Susan LASS:EX; LP Ministerial Assistants; LP Executive Assistants
Cc: Gillezeau, Rob FIN:EX; Manton, Kim FIN:EX; Spilker, Robyn FIN:EX
Subject: Budget 2018 materials
Attachments: 2018_Backgrounder_1_Fiscal.pdf; 2018_Backgrounder_2_MSP.pdf; 2018_Budget_Speech.pdf; 2018_Child_Care_BC.pdf; 2018_Homes_For_BC.pdf; 2018_News_Release.pdf; Budget2018_Highlights.pdf; KM_MLA_Budget18_FINAL.pdf; PP_MLA_Budget18_FINAL.ppt; SN_MLA Stump_Budget 2018_FINAL.docx

Hello everyone,

Today we've tabled our government's first full budget. It's a budget that puts people first with historic investments in child care and housing. It makes life more affordable, enhances the services people count on, and invests in a strong, sustainable economy.

The following materials are attached to this email. Please note that the internal documents are for MLAs/Ministers and their staff – the files should not be distributed to the public.

Public documents:

Budget and Fiscal Plan – available online at bcbudget.gov.bc.ca/2018

Highlights

Budget speech

Made-in-B.C. child care plan

30-point housing plan

News release

Fiscal plan backgrounder

MSP elimination backgrounder

Internal use only:

Key messages

MLA stump speech

MLA powerpoint

The following staff in the Minister of Finance's office can help get answers to your questions:

Molly Henry – ^{s.17}

Rob Gillezeau

Robyn Spilker

Many thanks,

Molly, Rob, Kim and Robyn



Budget 2018: Key Messages

February 20, 2018

Key Messages

- Budget 2018 is a budget that works for you.
- Our first full budget puts people first and makes life more affordable for all British Columbians.
- It makes historic investments in child care and housing that will be felt for generations.
- It fully eliminates MSP Premiums saving BC families as much as \$1,800 a year.
- And it makes the largest investment in infrastructure in B.C. history, supporting tens of thousands of new jobs.
- It helps people get ahead by:
 - Making life more affordable,
 - Improving the services you count on, and
 - Creating a strong, sustainable economy with good-paying jobs in every corner of our province.
- We're charting a path to a better B.C. for each and every person in this province.

Making Life More Affordable

Child Care

- With our first full budget, we're helping people get ahead.
- That means building a quality child care system that is affordable and available for families that need it.
- For too many parents, child care is as nearly as expensive as housing and even harder to find.
- And businesses tell us that when parents can't find child care, they lose a worker. The lack of affordable child care in our province is an obstacle to economic growth.

- We will deliver the kind of care our kids deserve, where parents need it, and at a price they can afford.
- That's why we are investing \$1 billion in child care over three years to:
 - Lower costs for parents,
 - Increase the number of child care spaces, and
 - Make sure those spaces meet the highest standards for quality care.
- It is the largest investment in child care in B.C. history and marks the beginning of a made-in-B.C. universal child care plan.
- Our plan includes:
 - A new affordable child care benefit that will provide up to 86,000 families across B.C. with up to \$1,250 per month in child care cost relief by 2020.
 - A new child care fee reduction program that will benefit up to 50,000 families in licensed care with fee reductions of up to \$350 per month.
 - The creation of more than 22,000 new licensed child care spaces throughout the province.

Housing

- Housing affordability affects us all and, for too long, B.C.'s housing crisis was ignored.
- Our comprehensive housing plan is focused on tackling speculation, curbing demand, increasing housing supply and improving security for renters.
- We're introducing a new tax to help deter speculators that use our housing market as a stock market.
- We're increasing and expanding the foreign buyers tax so that foreign buyers pay more for the quality of life they enjoy in our province.
- We're supporting renters by building more market rental housing and boosting rental assistance programs for low-income people and seniors.
- We're also making the biggest investment in housing in B.C. history – \$6.6 billion over ten years – to build and maintain affordable housing.
- We're doing this to help ensure our province has diverse, inclusive neighbourhoods and safe, affordable housing that works for everyone.

Strong Sustainable Economy

- Our province's economy is strong and growing.
- To ensure that B.C. remains an economic leader, we are tackling two of the most pressing economic issues in our province: child care and housing.
- We're building a made-in-B.C. universal childcare plan that will give parents the option to return to work.
- And we're moving forward on a comprehensive housing plan that will ease affordability pressures for workers in B.C.
- These investments will help people and they will help ensure that businesses have access to the workforce that they need to thrive.
- We will be creating an estimated 50,000 direct and indirect jobs with the largest capital investment in B.C. history.
- That means more jobs across B.C. and it means more bridges, roads, schools and hospitals for every person in our province.
- And we continue to have the strongest job growth and the lowest unemployment rate in the country.

Improving the Services People Count On

- British Columbians deserve services they can depend on.
- Whether that's ensuring healthcare for a loved one, securing education for their kids or keeping communities safe people need access to quality services.
- We took immediate steps in the Budget 2017 Update to improve services and address some of people's most pressing needs.
- With Budget 2018, we are continuing to invest in the quality, reliable services that people need.

Health

- Investing in our hospitals is investing in the people we care about.
 - We're making significant investments in health care, including \$3.1 billion over three years in infrastructure investments.
- Far too many British Columbians do not have a regular family doctor.

- Budget 2018 invests \$150 million to assist those without a regular family doctor access team-based care.
- Your government is also investing \$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.
 - That's why we are eliminating Pharmacare deductibles and family maximums for low-income families.
 - This will help people get the prescription medicines they need but are struggling to afford.

Education

- Investing in our children means investing in our future.
- That's why in Budget 2018 we are:
 - Investing \$2 billion over the fiscal plan to maintain, replace, renovate or expand schools across B.C., from Surrey to Prince George.
 - Hiring more teachers, bringing our total to over 3,700 new hires across the province to support students.
 - Providing additional funding to address enrollment growth.
- Our children deserve the best education from dedicated teachers and teaching assistants.

Supporting Indigenous Peoples

- Your government is committed to learning from, and working with, Indigenous peoples as we chart a path towards reconciliation.
- Addressing reconciliation is our shared responsibility.
- That's why you'll see support for Indigenous peoples throughout this budget, including:
 - \$158 million over three years for housing
 - \$30 million to continue the Indigenous Skills Training Program
 - \$16 million over two years for the First Nations Health Authority to support mental health and wellness

- \$6 million over three years for Aboriginal Friendship Centres
- Investments in the Head Start program, both on and off reserve, in partnership with the federal government
- The creation of a new Indigenous Law Program at the University of Victoria
- Budget 2018 provides a historic and immediate \$50 million investment for the preservation and revitalization of Indigenous languages in B.C.
 - Of the 34 First Nations languages in our province, eight are severely endangered and 22 are nearly extinct.
 - This funding will flow immediately, because there is no time to lose.

Support for Women Fleeing Violence

- For too long, support for women who are survivors of violence has been lacking.
- 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.
- As part of our comprehensive housing plan we are also investing \$141 million to support 1,500 new units for women and children fleeing domestic abuse.

Access to Justice and Family Law Services

- Cuts to legal aid and reductions in family law services have left people without legal representation for too long.
- 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.

Support for People with Disabilities

- The transportation needs of some of our most vulnerable citizens have been ignored, dismissed, or worse — clawed back.
- That's why we reversed the previous government's decision to claw back bus passes for people receiving disability assistance.
- We are proud to invest \$214 million over three years so that people with disabilities can travel more freely in their communities.
- Our action will help more than 100,000 people with disabilities connect with the services they depend on.

Making Ferries more Affordable

- Ferry costs have skyrocketed, putting coastal communities at a disadvantage that is costly and unfair.
- That's why we are:
 - Freezing ferry fares on all three major routes;
 - Rolling back fares on small routes by 15%; and
 - Restoring the Monday-Thursday 100% fare discount rate for senior passengers.

Support for Seniors

- Seniors deserve to live full lives, without having to worry about the cost of housing or the quality of care in assisted living facilities
- That's why we are investing \$548 million over three years to improve support for seniors:
 - Adding more specialized primary care services for seniors
 - Helping seniors stay in their homes longer
 - Improving the quality of care our seniors receive in residential care homes.
- 22,000 low-income seniors will benefit from investments to the rental assistance program known as SAFER, which will increase average benefits by \$930 per year.

Helping Youth in Care

- 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
- That's why we expanded the Tuition Waiver program for young people who were formerly in care to attend post-secondary school.
- In Budget 2018, we are building on this work, adding \$30 million to enhance the Agreements with Young Adults program. These changes will benefit more than 800 former youth in care.
- 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.

Protecting Our Environment

- Our province is rich in natural beauty, and for generations BC parks and campsites have been a favourite destination for B.C. families and tourists to enjoy.
 - To keep that tradition alive, we're expanding BC Parks campsites with \$5.6 million over three years. This investment will ensure that 1,900 new campsites will be ready for British Columbians this summer.
 - We are also providing \$9 million to hire more Conservation Officers and enhance programs that reduce human-wildlife conflict.
 - 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.
- Our government is committed to a cleaner, greener future by:
 - Reducing greenhouse gas emissions,
 - Increasing B.C.'s carbon tax rate, with climate action tax credits going to low and middle income families,
 - Growing our clean economy by investing in green initiatives, and
 - Supporting B.C.'s transition to a low-carbon economy.

Taking Action Wildfire Preparedness

- The 2017 wildfire season was unprecedented, with 65,000 people displaced and needing support. We need to do more in communities to support our province's response to wildfires.
- To help support communities and businesses impacted by wildfires, we're investing a further \$72 million over three years in community preparedness, resiliency and recovery.

Support for Agriculture

- B.C.'s agriculture sector exports across the country and around the world creating jobs and contributing to our economy.
- Budget 2018 invests \$29 million over three years in the Grow BC, Feed BC, Buy BC program to expand local marketing efforts and improve brand recognition of B.C. products overseas.

Support for the Creative Sector

- Budget 2018 invests in B.C.'s artists and cultural organizations:
 - \$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.
- 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.

MSP Elimination for a Fairer Tax System

- MSP premiums are unfair and regressive.
- That's why we are eliminating MSP premiums starting on Jan. 1, 2020.
 - Eliminating these unfair fees is a huge savings for people.
 - Individuals will save up to \$900 per year
 - Families will save up to \$1,800 per year.
 - Eliminating the MSP helps make our tax system more fair and progressive.

- In order to continue to deliver the services British Columbians depend on, the Province is replacing MSP revenues with an employer health tax.
 - At 1.95%, it is the lowest rate among provinces with a payroll tax in Canada.
 - By exempting businesses with payrolls under \$500,000, the employer health tax is designed to help protect small businesses.
 - s.13

Key Budget 2018 Facts & Fiscal Prudence

- Budget 2018 is balanced with a projected surplus of \$219 million in 2018-19.
- Key fiscal facts:
 - Fiscal prudence of \$900 million, made up of \$550 million in contingencies and a forecast allowance of \$350 million in 2018-19.
 - Our debt-to-GDP ratio is expected to remain below 16% over the fiscal plan.
 - And our debt-to-revenue ratio is forecast to stay below 90% over the fiscal plan.
 - We remain the only province rated triple-A by each of the international credit rating

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Slide 0: Title Page

- I'm excited to share with you 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 too many.
- Families are working harder than ever 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 and we're taken an even bigger step in Budget 2018.

Slide 1: Budget 2018

- People are at the centre of every choice we have made in this budget.
- 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.
- We're charting a path to a more affordable, balanced and hopeful vision for B.C.
- Your government wants a better B.C. for each and every person in this province.

Slide 2: BC Economic Summary

- The overall outlook for B.C.'s economy calls for strong, stable economic growth.
- B.C. continues to outperform economic expectations.
- 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.
- BC housing starts increased by 4.4 per cent in 2017 to reach 43,664 units. This is the highest annual level ever recorded.
- And we are the only province rated triple-A by each of the international credit rating agencies.

Slide 3: Fiscal Plan Changes

- We've had to face some tough choices to build a balanced budget.
- Due to the poor choices and neglect at ICBC and unprecedented wildfire costs we faced projected losses totalling nearly \$2 billion.
- These losses put real pressures on the government's fiscal plan.
- With these pressures, it is more important than ever to focus on those we are here to serve: the people of our province.
- Our budget balances fiscal prudence and meeting the needs of British Columbians.
- It takes historic steps to build a made-in-BC child care plan and tackle housing affordability.
- And Budget 2018 is fiscally balanced with a projected surplus of \$219 million.
- Our debt remains affordable.
- And we've incorporated several layers of prudence, including robust forecast allowances and contingencies.
- These numbers mean that we can look ahead and feel confident in the stable, steady economic growth of our province.

Slide 4: Working with Indigenous Peoples

- All of our work in government is framed by our work with Indigenous People.
- Addressing reconciliation is our shared responsibility.
- That means a commitment to fully adopting and implementing the United Nations Declaration on the Rights of Indigenous Peoples, and the Calls to Action of the Truth and Reconciliation Commission.
- There is support for Indigenous Peoples throughout our budget.
- Budget 2018 invests in housing, child care, skills training, and Aboriginal Friendship Centres with more than \$200 million dedicated to Indigenous priorities in those areas.
- We are also committing \$50 million this fiscal year to support the preservation and revitalization of Indigenous languages in B.C.
- Of the 34 First Nations languages in our province, eight are severely endangered and 22 are nearly extinct.
- This funding will flow immediately, because there is no time to lose.
- Our government is committed to learning from, and working with, Indigenous peoples as we build a path towards reconciliation.

Slide 5: Child Care BC

- Now, I'd like to move to two key areas of focus in Budget 2018.
- I'll begin with child care.
- For too many parents, child care is as nearly as expensive as housing and even harder to find.
- And businesses tell us that when parents can't find child care, they lose a worker.
- They have told us that economic growth is being hampered and their labour supply is restricted. The B.C. Business Council, B.C. Federation of Labour, Chambers of Commerce, Vancouver Board of Trade and municipalities across B.C. have urged the province to improve access to affordable child care.
- 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.
- I'm proud to say that Budget 2018 marks the beginning of a made-in-B.C. universal child care plan.
- It starts with building a quality child care system that is affordable and accessible.
- We will deliver the kind of care our kids deserve, where parents need it, and at a price they can afford.

Slide 6: Child Care BC

- So let's look at the details.
- 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 the highest standards for quality care.
- The plan starts with a new affordable child care benefit starting in September.
- It will provide up to \$1,250 each month per child.
- It will lower fees for an estimated 86,000 families per year by the end of 2020/21.
- Also, starting April 1st of this year, a 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.
- Together, this is the largest investment government has made to reduce child care fees ever in BC.

Slide 7: Child Care BC

- Parents have told us that even if they could afford child care, there aren't enough available spaces.
- That's why we're creating more than 22,000 new licensed child care spaces throughout the province.
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- Our plan to build more child care spaces will mean a higher demand for Early Childhood Educators.
- We will work with all our partners to develop a comprehensive workforce development strategy that will examine ECE education, training, and compensation.
- These commitments set us on the path to universal child care.
- And they represent real, transformational change in our society.

Slide 8: Comprehensive Housing Plan

- Another priority our government is tackling in this budget is housing.
- Housing affordability affects us all.
- For too long B.C.'s housing crisis was ignored.
- The result is that renters have seen vacancy rates drop while prices rise dramatically.
- Young adults attending school haven't had access to student housing.
- Young professionals are faced with moving out of their communities or the province.
- Seniors struggling to meet rising housing costs on fixed incomes are at risk of homelessness.
- 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 recruiting and retaining employees.
- People want government to take action.
- That is why we're setting out a 30-point plan that commits to long-term solutions.
- Our comprehensive housing plan is working to curb speculation, crack down on tax fraud, support renters and build the homes people need.

Slide 9: Stabilize the Market

- It starts with taking action to stabilize the market and curb demand.
- We will introduce a new annual speculation tax, starting in B.C.'s urban areas.
- It will tax foreign and domestic speculators.
- s.13
- Primary residences and long-term rentals will generally be exempt, and their owners will be able to claim an upfront exemption.
- It 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 to the high quality of life they enjoy when they move to our province.
- Currently this tax only applies in Metro Vancouver.
- We are extending it to the Fraser Valley, Central Okanagan, Nanaimo, and Capital Regional Districts.

Slide 10: Crack Down on Tax Fraud

- Our goal is fairness for the people that live, work and pay taxes here.
- And that's why we're taking steps to counter tax fraud and money laundering.
- It starts with closing loopholes and ensuring we can crack down on tax fraud.
- We all have heard stories of condo units being sold multiple times before they are even lived in.
- We will change legislation to require developers to collect and report comprehensive information about pre-sales condo contract assignments.
- Through tracking pre-sales, we can ensure people are paying their fair share of taxes and develop future housing and tax policies.
- 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 unclear.
- It's time that changed.
- We will require additional information on beneficial ownership on the Property Transfer Tax form.
- We will establish a registry of beneficial ownership in B.C. that will be publically available and shared with law enforcement and tax auditors.
- And we will introduce requirements for corporations to hold accurate and up-to-date information on beneficial owners.
- We'll also be changing tax laws to help us verify the information that people provide on their property transfer tax and income tax forms, again to strengthen our audit and enforcement powers along with the federal government.
- These steps will return fairness to the real estate market for the people of B.C.

Slide 11: Build the Homes People Need

- The other half of the affordability equation is supply.
- We are going to help build the homes that people need.
- These homes will be a mix of housing for families, people with disabilities, and seniors. They will range from supported social housing to market rental housing for people with moderate incomes.
- We will also make significant investments to preserve and protect our existing social housing for the people already living in them.
- Our government is finally allowing colleges and universities to borrow to build much needed student housing, and together we will help finance 5,000 new student housing beds.
- We can't fix the housing crisis overnight – but we can act now and plan for the future.
- That's why we will invest more than \$7 billion over the next 10 years.
- Our investment will support almost 34,000 units of affordable rental, supportive, and student housing.
- This will be the largest investment in housing in the history of our province.
- We are charting a path to help build 114,000 affordable housing units, but this can only be done by building partnerships.
- That's why we're creating a new HousingHub office at BC Housing to 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.

Slide 12: Increase Security for Renters

- We know housing affordability can hit renters the hardest and many of our most vulnerable citizens are at risk.
- People who rent their homes deserve to be able to plan for the future.

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- We are continuing our work on options to support renters.
- And as a first step, we're going to make improvements to our two rental support 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 so low-income families will see their average payment increase by approximately \$800 per year.
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- Seniors who receive SAFER will see their average payment increase by more than \$930 per year.
- These important program changes will help more than 35,000 households.
- In September we also increased funding to the Residential Tenancy Branch, and we'll be taking next steps to strengthen protections for renters and manufactured home owners who are at risk of losing their home.
- The actions our government is taking will give British Columbians greater choice in finding housing near where they work and go to school.

Slide 13: Improving Fairness

- People want a tax system that is fair.
- That's why in September's Budget Update we cut MSP premiums in half as of January 1st of this year, reduced the small business tax, and cut PST on electricity for business.
- Budget 2018 includes another big change to improve fairness.
- We are eliminating all MSP premiums, effective January 1st, 2020.
- That means families will save \$1,800 per year, and individuals will save \$900 per year.
- And it will help make our tax system more fair and progressive.
- Now it goes without saying that eliminating the MSP also eliminates a large portion of government's revenues.
- 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.
- The tax will be levied on large businesses in B.C. that are benefiting the most from the elimination of MSP.
- And it will be the lowest payroll tax rate in Canada.
- 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 portion.
- And businesses with a payroll over \$1.5 million will pay the full rate of 1.95%.
- The revenues raised will be invested in people and the services they count on.

Slide 14: Building a Strong and Sustainable Economy

- Budget 2018 marks a new direction in our province. It puts us on a path where people are put at the center of government's decisions.
- Budget 2018 takes significant steps to help our businesses get the workforce they need by addressing child care and housing affordability issues.
- There are many more items in our budget that I won't have time to go into today.
- Key enhancements to services, which include:
 - building more schools and hospitals;
 - Improving access to team-based care for people who do not have a family doctor;
 - helping seniors live at home longer and access the quality staff they need in residential care;
 - improving access to justice through family justice centres, legal aid, and reduce court delays; and
 - investing in better campsites a stronger conservation officer service;
- And investments that build our strong, sustainable economy, which include:
 - making record level investments in capital projects, including schools, hospitals, and transit.
 - creating 50,000 direct and indirect jobs through our record level capital investments
 - supporting communities impacted by wildfires;
 - increasing grants for the arts and the creative economy
 - investing in our agriculture and agri-foods sector; and
 - helping people access education and skills training
- They are all underpinned by a belief that investments in people and communities are investments in a strong economy.

Slide 15: Building a Strong and Sustainable Economy

- I'd like to talk a bit about some specific Budget 2018 investments that impact our region.

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- The continued success of our province includes strong, sustainable economic growth.
- Growth that depends on investments like these at the community level.
- And the key ingredient to sustaining that growth is people.
- Budget 2018 supports strong, sustainable growth that British Columbians can benefit from for generations to come.

Slide 16: Budget 2018

- I'm proud to say that this budget balances fiscal prudence with British Columbian's priorities.
- Budget 2018 puts people first.
- 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.
- And it adds value to our province and to our future as a progressive society.
- The investments we are making 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.
- Our government has charted a more affordable, balanced and hopeful vision for B.C. with Budget 2018.
- Because this is your province.
- We are your government.
- And we are working for you.
- Thank you.

[END]



BUDGET 2018

WORKING FOR YOU



Budget 2018

Budget 2018 puts people first with historic investments in child care and housing. Your government is:

- **Making life more affordable**
- **Improving the services people count on**
- **Building a strong, sustainable economy**

BC economic summary

| | 2015 | 2016 | 2017 |
|-------------------------|--------|--------|--------|
| Employment (% change) | 1.2 | 3.2 | 3.7 |
| Unemployment Rate (%) | 6.2 | 6.0 | 5.1 |
| Retail Sales (% change) | 6.9 | 7.4 | 9.7* |
| Housing Starts (units) | 31,446 | 41,843 | 43,664 |
| Exports (% change) | -0.9 | 9.2 | 13.0 |

* Year-to-date to November 2017

Sources: Statistics Canada, BC Stats, Canada Mortgage and Housing Corporation

Fiscal Plan Changes

| | <i>Budget 2017 Update (2017/18 – 2019/20)</i> | <i>Budget 2018 (2018/19 – 2020/21)</i> |
|--------------------|---|--|
| Balanced | ✓ | ✓ |
| Surpluses | \$246M / \$228M / \$257M | \$219M / \$281M / \$284M |
| Debt to GDP | Peaks at 16.4% in 2018/19 | Peaks at 15.9% in 2020/21 |
| Forecast Allowance | \$300M / \$300M / \$350M | \$350M / \$500M / \$600M |
| Contingencies | \$600M / \$300M / \$350M | \$550M / \$750M / \$750M |

Working with Indigenous Peoples

Government is committed to working with Indigenous peoples to carve a path toward reconciliation.

- **\$201 million over three years for Indigenous housing, child care, the Indigenous Skills Training Program and Aboriginal Friendship Centres**
- **\$50 million in 2017/18 to support the revitalization of Indigenous languages**

Child Care BC

A made-in-BC plan that sets the province on a path to universal child care:

- It will be affordable for families and the province
- It will be accessible for working parents and those wanting to go back to work
- It will give parents, grandparents and caregivers peace of mind by meeting rigorous quality and safety standards

Child Care BC

Historic investment of over \$1 billion in Child Care BC

To address affordability and reduce costs:

- **New affordable child care benefit**
 - Benefit of up to \$1,250 per month, per child
 - Up to 86,000 families will benefit
- **New child care fee reduction program**
 - Lowers the cost of licensed care by up to \$350 a month, per child
 - Up to 50,000 families will benefit

Child Care BC

A comprehensive plan that increases access to spaces and delivers safe, quality care:

- **Increase accessibility, including over 22,000 new child care spaces**
- **Invest to attract, train and retain Early Childhood Educators to help deliver high quality care**
- **Support providers who want to become licensed**

Comprehensive Housing Plan

A 30-point plan to make housing more affordable for British Columbians:

- **Stabilize the market**
- **Crack down on tax fraud and close loopholes**
- **Build the homes people need**
- **Increase security for renters**
- **Support partners to build and preserve affordable housing**

Stabilize the Market

New speculation tax to target foreign and domestic speculators who do not pay income tax in BC

- **Primary residences and long-term rentals will generally be exempt**
- **The tax will apply to the Metro Vancouver, Fraser Valley, Nanaimo and Capital regional districts, and Kelowna and West Kelowna**

Increase the Additional Property Transfer Tax to 20% to deter foreign speculators:

- **Expanded to include the following regional districts: Capital, Central Okanagan, Fraser Valley, and Nanaimo**

Crack Down on Tax Fraud

New steps to address tax evasion and close loopholes:

- **Collect new information to stop tax evasion in pre-sale condo reassignments**
- **Take action to end hidden ownership, including a new beneficial ownership registry**
- **Strengthen provincial auditing and enforcement powers**
- **Move to close property tax loopholes in the ALR**
- **Expand information collection and information sharing with the federal government to prevent tax evasion**

Build the Homes People Need

Historic investment of \$1.6 billion, including:

- **\$453 million to support over 19,000 units of affordable housing**
- **\$308 million for critical maintenance and energy performance upgrades for existing social housing**
- **5,000 new student housing beds at public post-secondary institutions**

New HousingHub Office at BC Housing to engage governments, non-profits, and the private sector in creating housing solutions

Increase Security for Renters

Improve affordability for renters:

- Increase to Shelter Aid for Elderly Renters (SAFER) benefit by an average of approximately \$930 per year for seniors
- Increase to the Rental Assistance Program (RAP) by an average of approximately \$800 per year to help low income working parents
- Review the Home Owner Grant to improve fairness and support for renters

Strengthen protection for:

- Renters evicted due to renovation or demolition
- Owners of manufactured homes from changes to land use that displace them

Improving Fairness

MSP premiums are eliminated January 1, 2020

- Including the recent 50 per cent reduction, individuals and families will see total annual savings of up to \$900 and \$1,800 respectively
- Premium elimination will be funded by a new employer health tax - this new payroll tax will be designed to help protect small businesses

Building a Strong and Sustainable Economy

***Budget 2018* invests in people and builds a strong, sustainable economy**

- **Child Care BC will give more parents the option to return to work**
- **A plan to make housing more affordable and help BC attract and retain workers**
- **Improvements to the services people count on**
- **Investments in a strong economy, including a historic level of capital investment that supports 50,000 direct and indirect jobs**

Building a Strong and Sustainable Economy

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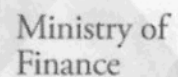
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Budget 2018

Budget 2018 balances the priorities of British Columbians and maintains fiscal sustainability

- **Puts people first with historic investments in child care, housing and infrastructure**
- **Makes life more affordable for British Columbians**
- **Delivers the services people count on**
- **Builds a strong, sustainable economy**



February 20, 2018

BACKGROUND

FISCAL PLAN 2018-19 – 2020-21

A Strong B.C. Economy

B.C. experienced stronger than previously forecast economic growth in 2017. *Budget 2018* reflects an upward revision to the 2017 real GDP estimate to 3.4%, from 2.9% estimated in the *Budget 2017 Update*, due to better than expected performance of B.C.'s main domestic indicators including employment, retail sales, housing starts and exports.

Strong growth is expected to continue with the provincial economy projected to grow by 2.3% in 2018. Private sector forecasters expect B.C.'s economic growth to continue to rank near the top of provincial standings in the near-term.

The near-term global economic outlook has also improved since *Budget 2017 Update*, with upward revisions to 2018 real GDP growth for the U.S., Japan, China and the euro zone.

Downside risks remain, however, including uncertainty regarding US fiscal and trade policy and ongoing economic challenges in Asia and the euro zone. The *Budget 2018* economic forecast is prudent compared to the outlook provided by the independent Economic Forecast Council, in recognition of the downside risks to the outlook.

Budget Outlook

Budget 2018 projects surpluses of:

- \$219 million in 2018-19
- \$281 million in 2019-20
- \$284 million in 2020-21

The government has included several layers of prudence into the fiscal plan, to help account for lower than expected revenues, unforeseen expenses or emergencies. *Budget 2018* includes a forecast allowance of \$350 million in 2018-19, \$500 million in 2019-20, and \$600 million in 2020-21. *Budget 2018* also includes contingencies of \$550 million in 2018-19, \$750 million in 2019-2020, and \$750 million in 2020-21.

Revenue Outlook

Total government revenue is forecast at \$54.2 billion in 2018-19, \$57.6 billion in 2019-20, and \$58.6 billion in 2020-21.

Expense Outlook

Total expenses over the three-year fiscal plan are forecast at \$53.6 billion in 2018-19, \$56.8 billion in 2019-20, and \$57.8 billion in 2020-21.

Capital spending

Taxpayer-supported capital spending over the fiscal plan will total a record-level \$15.8 billion, and includes urgently needed investments in critical infrastructure, such as:

- **Education:** \$2 billion to maintain, replace, renovate or expand K-12 facilities.
- **Post-secondary education:** \$2.6 billion to build capacity and help meet the province's future workforce needs in areas like science, trades and technology.
- **Health:** \$3.1 billion to support major construction projects and upgrading health facilities, medical and diagnostic equipment, and information management technology systems.
- **Housing:** \$379 million to preserve existing affordable housing and to help fund the construction of supportive housing units.
- **Student Housing:** \$450 million for a student housing program for public post-secondary institutions that will help finance 5,000 new student housing beds.
- **Transportation:** \$4 billion in provincial operating and capital funding, which will leverage an additional \$1.3 billion through federal cost sharing and partnerships with private organizations, local governments and other agencies.

Debt Affordability

The operating debt is forecast to be eliminated by the end of 2018-19, one year earlier than forecast in *Budget 2017 Update*. Primarily, this is a result of stronger than predicted economic growth in 2017. This will be the first time the government has been free of operating debt in over 40 years.

The taxpayer-supported debt-to-GDP ratio, a key metric used by credit rating agencies, is expected to remain below 16% over the fiscal plan period despite record-level capital spending.

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February 20, 2018

BACKGROUND

ELIMINATING MEDICAL SERVICE PLAN PREMIUMS

Budget 2018 will eliminate Medical Service Plan (MSP) premiums effective Jan. 1, 2020.

By eliminating these unfair and regressive fees, the B.C. government will help lift a significant financial burden off of individuals and families. In total, eliminating MSP premiums will save individuals up to \$900 per year and will save families up to \$1,800 per year.

MSP premiums disproportionately impact low and middle income earners. Currently, all households with adjusted net income of more than \$42,000 per year pay the same amount. This means a person earning \$45,000 per year pays the same premiums as someone earning \$250,000 per year. Eliminating this regressive fee for all British Columbians will result in a fairer tax system that works for everyone.

British Columbia is the only province in Canada that levies MSP premiums. They are complex and expensive for businesses to administer. They also lead to substantial administrative costs for government.

The B.C. government committed to eliminating MSP premiums within four years. The government took the first step in *Budget 2017 Update* by cutting MSP premiums by 50%, starting Jan. 1, 2018 and increasing the threshold for premium assistance by \$2,000.

The decision to eliminate MSP premiums was informed by the MSP Task Force's interim report, including the decision to eliminate premiums all at once, as opposed to phasing them out over time, and to provide advanced notice of the changes.

In order to continue to deliver the services British Columbians depend on, the Province is replacing the revenues from MSP premiums with an employer health tax.

This new payroll tax will come into effect Jan. 1, 2019 with the following rate structure:

- Businesses with a payroll of more than \$1.5 million will pay a rate of 1.95% on their total payroll.
- Businesses with a payroll between \$500,000 and \$1.5 million will pay a reduced tax rate.
- Businesses with a payroll under \$500,000 will not pay the tax.

By exempting businesses with payrolls under \$500,000, the employer health tax is designed to help protect small businesses. At 1.95%, it is also the lowest rate among provinces with a payroll tax in Canada.

Further details about the employer health tax will be provided prior to its implementation on Jan. 1, 2019.

The Province estimates the new tax will raise approximately \$463 million in 2018-19. The B.C. government will use this revenue to help people by investing in services and the economy.

Quick Facts:

- In 2016-17 MSP premiums provided a total of \$2.6 billion in revenue.
- The new employer health tax is estimated to provide \$1.9 billion in revenue per year in 2019-20 and 2020-21.

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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 CO₂ 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.



CHILD CARE B.C. CARING FOR KIDS, LIFTING UP FAMILIES

THE PATH TO UNIVERSAL CHILD CARE



*CHILD CARE B.C. CARING FOR KIDS, LIFTING UP FAMILIES :
THE PATH TO UNIVERSAL CHILD CARE
FEBURARY, 2018*

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MESSAGE FROM MINISTER OF CHILDREN AND FAMILY DEVELOPMENT KATRINE CONROY AND MINISTER OF STATE FOR CHILD CARE KATRINA CHEN



MINISTER OF STATE FOR CHILD CARE, KATRINA CHEN

Too many people in British Columbia are struggling to get by.

People of all ages are falling behind, and families with young kids are among those finding it the hardest to make ends meet. Right now, for too many parents in too many communities, child care is almost as expensive as housing, and even harder to find.

The lack of affordable, quality, child care forces many people to either stay home from work, or pay more than they can afford for any care they can find. Some are even forced to leave their communities to find the care their children need.

The lack of affordable, quality child care is bad for businesses because they lose access to skilled workers, and it's bad for families.

Quality child care is more than a safe place for kids to spend the day. Our children's early years shape the rest of their lives. Early Childhood Educators (ECEs) are

trained to help kids make the most of this precious opportunity to learn.

That's why we are bringing universal child care to British Columbia. It will take time to deliver, but we're starting right away.

By adding \$1 billion over the next three years, Budget 2018 offers the biggest investment in child care in B.C. history – delivering swift relief for thousands of families, and laying the foundation for a service that will benefit people for decades to come.

By bringing fees down for parents, building more licensed spaces, and working to increase the number of qualified Early Childhood Educators – while better supporting ECEs already working in the field – we are taking the first important steps towards universal child care.

Offering universal child care will give our kids a head start and help families get ahead.

Our child care strategy is guided by three principles – quality, access and affordability. These principles reflect



MINISTER OF CHILDREN AND FAMILY DEVELOPMENT,
KATRINE CONROY



our commitment to deliver the kind of care our kids deserve, where parents need it, and at a price they can afford.

Together, in partnership with Indigenous communities, other governments, the B.C. Green Caucus, families, advocates, and our hard-working child care providers, we're going to care for kids, lift up families, and advance reconciliation by delivering the affordable, quality child care people need.

INTRODUCTION

Too few families in B.C. have access to affordable, quality child care that meets their needs. Existing supports and subsidies have not kept pace with the rising costs of care, leaving many families struggling to pay more than they can afford.

In terms of quality, the lack of availability of licensed child care in B.C. is a major issue, with licensed spaces only available to a small percentage of all children aged 0-12 years. This has left many parents without the assurance that their child's care provider is regularly monitored and that staff have the required training to meet the needs of young kids.

The expansion of licensed child care and the overall improvement of care across the province are hampered by the fact that there are not enough certified Early Childhood Educators to adequately staff existing and future child care spaces.

Budget 2018 delivers over \$1 billion in new investments in child care and early learning over the next three years. This is the biggest commitment to child care in B.C. history and it lays the foundation for universal child care province-wide.

Universal care can't be delivered overnight, but – done right – will mean that all children will be able to find space at licensed family homes and child care centres. What's more, their parents will be able to afford to send them there.



It will take time to achieve this vision – just as it took time to create public health care and to deliver public education to all children. But, by bringing fees down for parents, building more licensed spaces, and increasing the number of qualified Early Childhood Educators to support young children's care and learning needs, we are bringing universal child care closer to reality.

With Budget 2018, we are delivering immediate relief to tens of thousands of families. A new child care fee reduction will mean that, overall, fees at licensed child care centres will drop significantly for infants and toddlers and for children between the ages of three and five years old.

For families in unlicensed child care, we will support their child care providers and encourage them to become licensed. Licensing means they will get funding for enhanced supports and will be able to offer parents discounted fees.

Additionally, thousands of eligible families with children in all kinds of care will be able to receive a new affordable child care benefit that will provide full or partial relief, depending on family income, to help further cover the cost of child care. More families using unlicensed care will also be eligible to receive a partial benefit.

In order to improve access and support the transition to licensed care, we are:

- » boosting funding to build new licensed spaces province-wide,
- » working to increase the recruitment and retention of Early Childhood Educators, with training bursaries and other strategies aimed at boosting the availability of these important and valued child care experts,
- » providing start-up grants to unlicensed family providers to become licensed, and
- » enhancing the licensing capacity of Health Authorities to keep up with demand of new licensed spaces.

We invite all existing child care providers to join us on the path to universal child care. Budget 2018 includes many new supports to help them better serve their families and to maintain their operations.

These supports include:

- » an expanded and more flexible Child Care Major Capital program, and
- » an expanded Minor Capital program with a stream for family providers, and
- » an increase in operating funding for providers that offer the child care fee reduction.

FROM A FRAGMENTED SYSTEM TO UNIVERSAL CARE

Currently, B.C. does not have a coordinated child care system. Child care providers operate independently and have to navigate their way through a range of provincial and municipal rules, an insufficient workforce, and rising costs. The current market-based system is not meeting the demand for spaces, resulting in higher prices, lower quality and fewer choices for parents.

Research indicates – and the current state of child care in B.C. confirms – that there are many challenges associated with market-based models when there is unmet demand, leaving them fragmented and unaccountable.





The Province's plan for early care and learning is to move from the current patchwork of programs and services – delivered with limited accountability and regulation, and with fees that are out of reach for many families – towards universal child care that is affordable and available for any family that wants or needs it.

OUR VALUES, OUR VISION

Our kids are the future of our province – they will be our leaders, our entrepreneurs, and those who care for and build our communities. The care we give our kids in their early years will have deep and lasting effects, not just for people but for our province.

Our vision of affordable, quality child care that is available to every family that wants or needs it was formed in response to advice from parents, child care providers, child care experts and Indigenous leaders.



We have heard from people across the province and all wanted child care that was affordable and available for parents, and where all children, including those with diverse learning needs, are welcome. And they wanted child care that parents could trust, with rigorous quality

and accountability mechanisms in place for providers who are funded by government.

INCLUSIVE CARE, ACCESSIBLE TO EVERYONE

Our vision for universal child care is inclusive. Our kids deserve to feel respected and included by those who are caring for them and teaching them. It's also important to recognize and address the needs of children who may be vulnerable and those of children with diverse learning needs.

CULTURALLY BASED CARE

Connections to a child's home culture and language are critical to their long-term well-being. Universal care must honour and promote culture and language – this value must be at the core of all programs, supports and services.

CARE WHEN AND WHERE FAMILIES NEED IT

Families are looking for flexible child care that meets their needs. As we work to deliver universal care, we will support a range of early care and learning programs located in schools, communities, workplaces and homes, so that parents – including parents who work irregular hours – can choose the options that work best for their family.

CARE BUILT TOGETHER, IN PARTNERSHIP

Government can't deliver universal child care alone. We will need to support and encourage the expansion of community involvement and foster connections between government, Indigenous communities, non-profits and businesses in order to deliver the kind of care kids need and deserve, right across the province.

We will invite child care providers to be our partners in building our new universal system, and will offer expanded operating funds, minor and major capital grants and new supports for family child care providers.

CARE BUILT FOR THE LONG-TERM

Given the time it takes to build new spaces, train workers, and deliver new services, our partners need to know that quality early care and learning programs will be supported with long-term funding.

We are committed to a sustainable path to universal child care, so that it's available for generations of kids to come.

SAFE AND ACCOUNTABLE CARE

Creating universal child care is a major investment by government. It's important for outcomes to be monitored and reported, and for the quality of care being delivered to be consistently monitored so parents can breathe easy, knowing their kids are being well-cared for.

EARLY LEARNING AND EDUCATION

There is significant support for doing more to integrate child care and education. Early Childhood Educators working in licensed child care settings are valuable educators who help children get a head start in life. Universal child care will offer better links between child care and our school system.







DELIVERING AFFORDABLE CARE

DELIVERING AFFORDABLE CARE

Families across the province are struggling to find affordable child care, particularly infant and toddler care.

Vancouver is one of the most expensive cities for child care in the country with a median fee of \$1,250 per month for infant and toddler care, but costs are high across the province. Fees for infant and toddler care average \$1,000 a month on south Vancouver Island and the Kootenays, and it's almost as high in the Okanagan and in the Interior. For many, the cost of child care is almost the same as their monthly rent.

Throughout our consultations, we heard people asking for government to focus on infant and toddler care first, where costs are the highest, and to make sure that child care is affordable for Indigenous families and for families whose children have extra support needs. People also asked for child care subsidies to be made better for families in the short-term, and phased out over time as affordable, licensed care becomes more available.

The focus of government's new investments is in reducing the cost of licensed care. This is so we can meet our commitment to quality care, and further our goal of replacing the current, fragmented system with universal care.

IMMEDIATE RELIEF FOR PARENTS

We know parents are struggling today. That's why we are investing \$630 million over 3 years to improve affordability, including a child care fee reduction that will offer immediate relief for parents with children up to age 5 in licensed care.





In the first year, priority will be given to infant and toddler care and care for 3- to 5-year-olds, which are the most expensive types of child care.

Starting on April 1, 2018, parents with children in licensed care will be eligible for the following fee reductions if their child care provider opts in to the program:

- » up to \$350/month for group infant/toddler care
- » up to \$200/month for family infant/toddler care
- » up to \$100/month for group care for children aged 3-5
- » up to \$60/month for family care for children aged 3-5.

These fee reductions are expected to benefit up to 50,000 families.

A NEW AFFORDABLE CHILD CARE BENEFIT

In addition to directly lowering fees for families with children in licensed care, Budget 2018 will also fund a new affordable child care benefit to help bring more relief to parents.

This new benefit, which families will be able to apply for beginning in September 2018, will significantly lower the cost of child care for more B.C. families. Families with pre-tax incomes of \$45,000 or less will receive the full

benefit, up to the cost of care, while those who make up to \$111,000 will receive a reduced amount, scaling according to income.

An online benefit calculator will help parents budget for what they will receive based on their income and the type of licensed care.

Benefit amounts will ramp up, helping up to 86,000 families by the end of 2020-21.

INCREASING AFFORDABILITY IN THE FUTURE

As part of our funding agreement with the federal government on Early Learning and Child Care, we are exploring ways to make child care even more affordable for everyone.

Working with our federal partners, we will launch prototype projects that will offer families reduced-cost child care spaces regardless of their income.

The operators that are selected for these sites will be representative across the province, in both urban and rural settings, so that the prototype centres can build the model of reduced fees, supported ECE workers and early learning centres in a representative range of communities in B.C., including in more vulnerable or underserved communities. What we learn from these prototypes will inform the build out of universal child care across the province.





ACCESS FOR ALL FAMILIES

ACCESS FOR ALL FAMILIES

There has been a chronic shortage of licensed child care spaces in our province that has left many families struggling to find quality care. For families whose children have diverse needs, it is even more difficult to find the kind of care their kids need and deserve.



Improving access isn't just about delivering more licensed child care spaces. It's about inclusion for all children. That means working with Indigenous communities to create culturally centred child care services, increasing access to specialized care for children with diverse needs, and making sure that our universal child care system is welcoming for children who may be vulnerable due to family circumstances.

Creating new spaces will take time, and it will take a plan. That's why we're focusing not just on helping to build new spaces, but on making sure child care providers can find the skilled child care workers they need, and parents can afford child care fees.

LICENSED CHILD CARE FOR MORE KIDS

There are already too few licensed spaces for the number of children in need. Some parents even put their children on wait lists for child care before their children are born, and still don't get a space when they need one.

As part of Budget 2018, we're investing \$237 million to improve access, including delivering more

than 22,000 new spaces throughout the province. Combined with the new spaces we're creating with the federal government as part of the Early Learning and Child Care agreement, we are creating room for 24,000 more children to access quality, affordable child care, and laying a strong foundation for universal child care in B.C.

IMPROVING FLEXIBILITY FOR FAMILIES

Right now, there are simply not enough licensed child care spaces for everyone. Families who have different needs, such as irregular work hours, have even less access.

As we build more spaces throughout the province, we will provide grants to communities to create plans to inform local needs and priorities for child care spaces.



We will make it easier for family child care providers to receive support for their operations and to accelerate the availability of child care that is co-located on school grounds so we can deliver more spaces in more neighbourhoods and more communities. This includes bringing in full-day early care and learning centres at up to eight existing StrongStart BC Centres.

IMPROVING ACCESS FOR ALL CHILDREN

We recognize that child care needs to meet the needs of kids and their families. These needs differ depending on the circumstances of the child and, in many cases, the situation in their home community.

Recognizing that one size doesn't fit all, and with the support of the federal government, we're taking action to make our child care supports more inclusive for every family.

By providing additional funding to reduce waitlists for Supported Child Development and Aboriginal Supported Development programs, we are helping children access the services they need to succeed.

We're also lifting up vulnerable families by increasing supports for young parents as they complete their secondary-school education, including providing access to no-fee child care.

INDIGENOUS-LED CHILD CARE

While Indigenous children and families are expected to have full access to the enhancements made to the provincial child care system, there is also recognition that we have an obligation to ensure that Indigenous kids, their families and their communities have access to child care that meets their specific needs.

The B.C. government is guided by its commitment to the United Nations Declaration on the Rights of Indigenous People (UNDRIP) – supporting Indigenous peoples' rights to self-determination and governance. In addition, staff in all ministries are reviewing policies, programs and legislation to

implement the principles of the Declaration and the calls to action of the Truth and Reconciliation Commission. These steps are especially important when it comes to designing services for Indigenous children.

Transformation will take time and considerable effort on behalf of all levels of government and all partners. We support this process; true and lasting reconciliation is a priority for this government.

But we also know there are Indigenous children and families throughout B.C. that are facing service gaps – they need access to supports and services today. So while we engage in longer-term transformative and systemic change with our partners, we are also acting quickly to offer more supports to Indigenous children and families.

We're starting by investing significant new funding from the federal government into an expansion of the Head Start program both on and off reserve. We know this family-focused program has a big impact on the kids that use it, and it's a great resource for families.

Expansion of Head Start programming is just the beginning. We will work in full partnership with Indigenous communities and leaders throughout B.C. to determine how we can deliver universal child care in a way that meets the needs of Indigenous families and our commitment to UNDRIP.







QUALITY CARE FOR OUR KIDS



QUALITY CARE FOR OUR KIDS

Kids are precious and irreplaceable. That's why our plan for universal child care is focused on delivering quality, licensed spaces across the province.

By working to bring care providers into our licensed system, we can provide the accountability, oversight and monitoring needed to give parents confidence that their children are being well cared for.

But quality is about more than licensing. It's also about supporting children's healthy development and early learning. Child care can and should be an important part of a child's learning journey.

SUPPORTING EARLY CHILDHOOD EDUCATORS THROUGH RECRUITMENT AND RETENTION

The backbone of quality child care is quality staff. Like most Canadian provinces, British Columbia's early care and learning sector faces chronic challenges, including high employee turnover, and workforce shortages, especially in licensed, centre-based programs.

Early Childhood Educators are critical to the quality of care and learning in licensed facilities. Budget 2018

provides \$136 million over three years to enhance quality of care, including important new supports for training and development, as well as a workforce development strategy. Working with our partners in child care, we will establish the human resource strategies needed to attract and retain skilled and experienced early learning and child care workers, including consideration of appropriate remuneration.

The recruitment and retention of qualified Early Childhood Educators and other child care providers is one of the most pressing challenges to developing universal child care. Low wages and lack of benefits is common across the sector. Early Childhood Educators have in-demand skills, and many experienced educators are moving to more lucrative careers in other sectors.

Our immediate actions will include increasing the number of spaces available to train these early-learning experts, including exploring innovative ways to deliver training. Expanded access to grants and bursaries will support certification for new

Early Childhood Educators and professional development opportunities for people already in the sector, while the existing Early Childhood Educator Bursary Program will be improved to better address the costs associated with training for this career.

We will also invest in the University of Victoria's Community Facilitators Program to provide support and mentorship for Early Childhood Educators, and engage Deans of Education to include early learning in elementary teacher training programs.

HELPING EXISTING CHILD CARE PROVIDERS BECOME LICENSED

One of the most efficient and effective ways to expand licensed child care across British Columbia is to help existing providers become licensed.

Recognizing the cost of this change, we will provide start-up grants to offset the cost of becoming licensed for these providers. Once they become licensed, they will be able to pass on a child care fee reduction to parents using their services, as part of our affordability commitments under Child Care B.C.

Family providers will also be supported with a new training model to deliver quality care.

PROTECTING KIDS WITH ENHANCED ACCOUNTABILITY

One of the biggest benefits to moving to universal child care will be enhanced safety and improved accountability from child care providers.

As our licensed system grows, we must scale up our efforts to maintain the quality of care offered to kids. To do that, we will increase capacity in Health Authorities to license new spaces, conduct investigations and monitor compliance.

Our laws will also be strengthened to make sure that unlicensed child care providers who are acting outside of their legal operating mandate are identified and held accountable.

JOINING PROVIDERS IN CONTINUOUS IMPROVEMENT

As part of improvements to quality, we will update the Early Learning Framework that guides programs for children up to the age of eight years in both early care and learning facilities and in schools. This will help children be better prepared for the transition to kindergarten and ensures that they are well supported once they get there.



Child Care Resource and Referral programs are already doing valuable work to improve the quality of child care available in B.C., and we will work closely with these community organizations as we improve our child care system.

Quality decisions are guided by quality information. We will upgrade and enhance data collection through the Human Early Learning Partnership (HELP) to help us better understand the child care and early learning system as it currently exists and make evidence-informed policy decisions as we move forward.

BUILDING PARTNERSHIPS, DELIVERING CARE

We are working closely with other governments, child care providers, parents and communities to strengthen early childhood development and early learning care as we lay the groundwork for universal child care.

The federal government is a valuable partner in child care. They are investing \$153 million into Child Care B.C. as part of the Early Learning and Child Care Framework. This funding will be put towards increasing the number of infant and toddler child care spaces in areas of highest need and providing low-cost infant and toddler care spaces, supporting culturally appropriate care for Indigenous families, as well as other initiatives meant to support vulnerable families.

Local governments can also be valuable partners. They know their communities well and they are well placed to help plan the expansion of licensed child care. Through grants, we will support them to build more spaces and create plans to inform their local needs and priorities for child care. By enhancing collaboration between provincial and local governments, we will streamline the process of creating child care for families in communities that need it.

Child care has a long-standing relationship with school districts in our province, and many school districts already support child care in their schools. Child care in schools or on school grounds supports seamless transitions for children between programs and into school. It also reduces the burden on parents in dropping off and picking up children, and it effectively utilizes public resources through the use and retrofitting of existing buildings and infrastructure.

In the coming years, we will build more relationships with school districts to create space and infrastructure plans that enable us to know where space exists, and to prioritize communities that need child care.

Child care partners, parents and other stakeholders have been critical to the development of this strategy to address B.C.'s child care needs. Engagement will continue in the coming months and years as we move towards our goal of universal child care. The goal is to monitor and track the impacts of investments and to continually improve as we move forward with developing a system that works for B.C. families.





CONCLUSION

CONCLUSION

We are confident in our plan, as it provides the first concrete steps towards our long-term vision of universal child care in B.C. Under Budget 2018, significant benefits will begin flowing to families immediately and over the next three years.

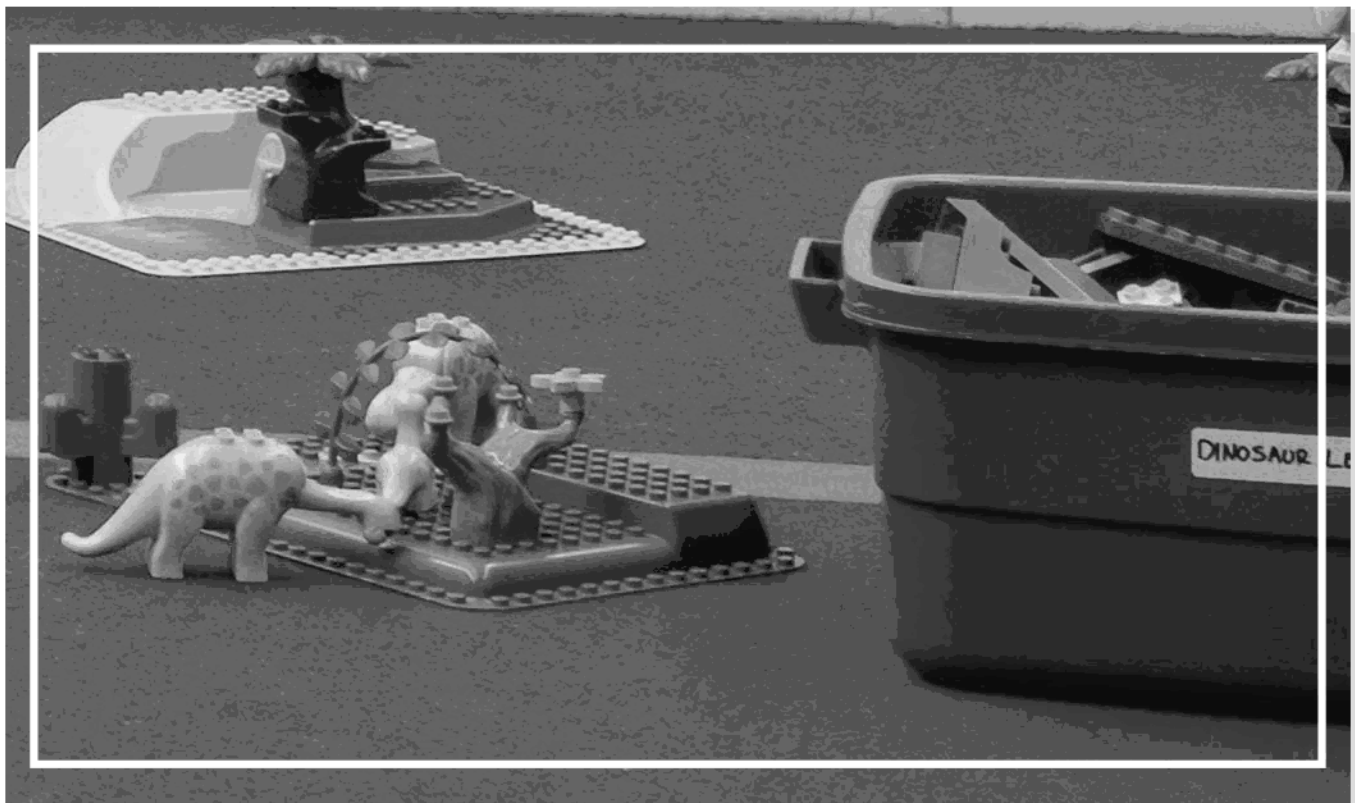
Families can look forward to funding for more than 24,000 new child care spaces over the next three years.

Up to 50,000 families will benefit from child care fee reductions, with thousands of families seeing reduced costs starting in April 2018.

Nearly 27,000 families with incomes below \$45,000 will pay little or nothing for licensed care. And 21,000 families using unlicensed care will be eligible for full or partial benefits from the affordable child care benefit.

Early Childhood Educators will receive enhanced support for their education and development.

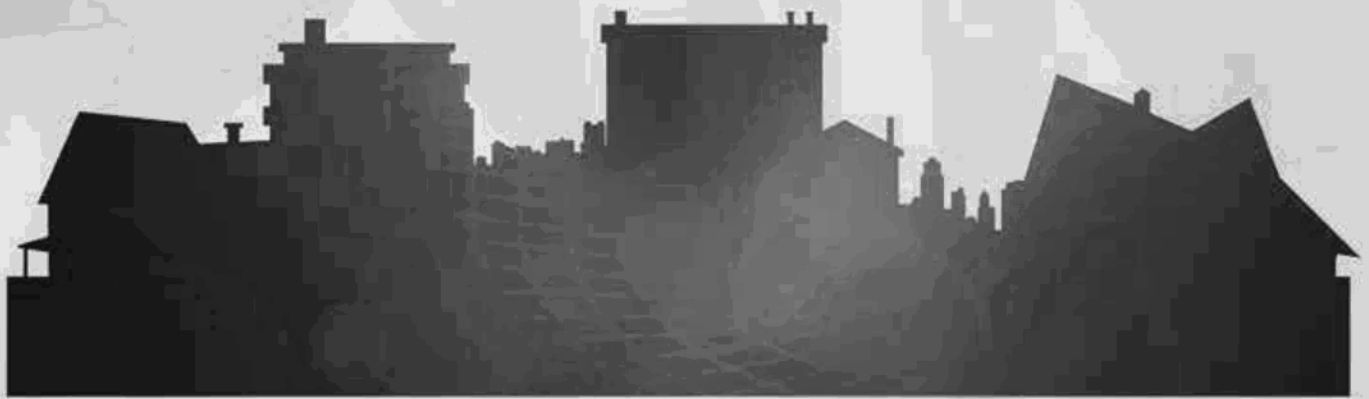
We look forward to working with our many partners to realize our vision and establish a system of governance for universal child care in British Columbia. The path won't be short and it won't be easy, but we're working hard to make it a reality, and to make a real difference in the lives of B.C. families today.





**VISIT OUR WEBSITE AT:
WWW.GOV.BC.CA**





HOMES FOR B.C.

A 30-POINT PLAN FOR HOUSING AFFORDABILITY IN BRITISH COLUMBIA



*HOMES FOR B.C.: A 30-POINT PLAN FOR
HOUSING AFFORDABILITY IN BRITISH COLUMBIA
FEBRUARY, 2018*

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FOREWORD BY THE HONOURABLE SELINA ROBINSON MINISTER OF MUNICIPAL AFFAIRS AND HOUSING

Safe, affordable housing is critical to affordability and our overall quality of life, yet it has become the single-biggest challenge affecting British Columbians today.



Prices for renting and buying have surged past local incomes, leaving people paying a greater portion of their wages towards their home. This is hurting people, businesses and communities.

Since becoming housing minister I have met with hundreds of leaders from every level of government, Indigenous Peoples, and the public, non-profit and private sectors. All were excited to be part of the solution to British Columbia's housing affordability crisis.

The lack of affordable homes is hurting people and holding our province back.

Home prices didn't spike overnight, and our housing problems can't be fixed with a single budget.

It will take years of sustained action to bring housing affordability home.

We are acting immediately to stabilize demand by introducing a new speculation tax, increasing and expanding the foreign buyers tax and closing legal loopholes abused by speculators.

And we're working hard to build the right supply. We're making the biggest investment in housing in our province's history. Thousands of affordable homes are in development today, with tens of thousands more to come.

Together, in partnership with all levels of government, Indigenous Peoples, non-profits, co-ops, and the private sector we will streamline the creation of the homes people need across British Columbia.

We will continue to make housing more secure with sensible changes to our housing laws that make life more fair for renters and landlords, and by helping seniors and low-income families in need keep up with skyrocketing rents.

Taken together, these actions represent the first step on the path to reaching our goal of a province where everyone has the secure, safe, and affordable home they need.

Selina Robinson, Minister of Municipal Affairs and Housing





GOVERNMENT'S 30-POINT PLAN FOR A FAIRER HOUSING MARKET

GOVERNMENT'S 30-POINT PLAN FOR A FAIRER HOUSING MARKET

STABILIZING THE MARKET:

1. Taxing speculators who are driving up housing costs
2. Increasing the foreign buyers tax rate to 20%
3. Expanding the foreign buyers tax to areas outside of Metro Vancouver
4. Increasing the property transfer tax on the value of homes over \$3 million
5. Increasing the school tax rate on the value of homes over \$3 million
6. Allowing online accommodation providers to apply PST and MRDT on short-term rentals
7. Reviewing the Homeowner Grant to provide fairness for renters

CRACKING DOWN ON TAX FRAUD AND CLOSING LOOPHOLES:

8. Moving to stop tax evasion in pre-sale condo reassignments
9. Taking action to end hidden ownership, including a new beneficial ownership registry
10. Strengthening provincial auditing and enforcement powers
11. Moving to close property tax loopholes on the ALR
12. Expanding information collection and information sharing with the federal government to prevent tax evasion
13. Seeking permanent provincial-federal action to combat money laundering, tax evasion, and avoidance



BUILDING THE HOMES PEOPLE NEED:

- 14.** Making a \$6 billion-plus investment in affordable housing.
- 15.** Building rental units for the missing middle – more than 14,000 units for individuals, working families and seniors
- 16.** Housing for women and children affected by violence
- 17.** Working with universities, institutes and colleges to build new student housing
- 18.** Fixing existing projects with an eye to ensuring affordability for British Columbians
- 19.** Partnering with Indigenous communities to invest \$548 million over 10 years in social housing
- 20.** Building 2,500 new supportive homes for people struggling with homelessness

SECURITY FOR RENTERS:

- 21.** Expanding and increasing benefits to seniors living independently
- 22.** Expanding and increasing the Rental Assistance Program to help working parents.
- 23.** Strengthening protections for renters and manufactured home owners.
- 24.** Extending the life, quality and affordability of existing affordable housing



SUPPORTING PARTNERS TO BUILD AND PRESERVE AFFORDABLE HOUSING

- 25.** HousingHub: Building Partnerships. Building Homes.
- 26.** Empowering local governments
- 27.** Expanding the use of MRDT revenues for affordable housing
- 28.** Encouraging more rentals via property tax exemptions
- 29.** Empowering homeowners in stratas to deal with short-term rentals
- 30.** Expanding transit and building communities





STABILIZING THE MARKET



STABILIZING THE MARKET

Stabilizing B.C.'s out-of-control real estate market is essential to addressing the housing crisis.

That's why our strategy includes a number of measures aimed at curbing demand, reducing tax evasion, closing real estate market loopholes and cracking down on speculators who don't contribute to our province and our communities.

1. TAXING SPECULATORS WHO ARE DRIVING UP HOUSING COSTS

People, including many non-resident investors, are speculating in B.C.'s housing market, using our housing stock as an investment vehicle that drives up prices and removes rental stock.

We are taking immediate action to crack down on speculators who distort our market.

Beginning fall 2018, the Province will introduce a new speculation tax on residential property. This tax will target foreign and domestic speculators who own residential property in B.C., but don't pay taxes here, including those who leave their units sitting vacant. This will include satellite families.

We are applying this new speculation tax broadly to ensure we don't simply push speculators into neighbouring markets. The new tax will apply

to Metro Vancouver, Fraser Valley, Capital and Nanaimo Regional Districts, and in the municipalities of Kelowna and West Kelowna.

Up-front exemptions will be available for most principal residences, qualifying long-term rental properties and special cases. The Province will also introduce a non-refundable income tax credit which will allow those who pay income tax in B.C. to offset the property tax.

This bold new tax will help return the real estate market to one that serves local residents, rather than speculators.

2. INCREASING THE FOREIGN BUYERS TAX

Affordability for B.C. residents comes first.

The speculation in our housing market cannot be allowed to overrule the needs of British Columbians. The 15% foreign buyers tax alone has been insufficient to stabilize the housing market; foreign demand is still putting pressure on our housing stock.

That's why we are increasing the foreign buyers tax (additional property transfer tax) rate from 15% to 20%. Increasing the tax will help deter those speculating in B.C.'s housing market, and penalize those who do. Property owners who enjoy our services should pay their fair share of taxes. Foreign buyers should contribute to our society in return for the high quality of life they enjoy when they move to B.C.

3. EXPANDING THE FOREIGN BUYERS TAX TO MORE AREAS

Our government is also extending the reach and impact of the foreign buyers tax to the Capital Regional District, the Fraser Valley, the Central Okanagan and the Nanaimo Regional District. Extending it to other communities ensures that speculation isn't pushed into neighbouring markets.

The increase and expansion of this tax will help stabilize housing prices and raise revenues to help fund housing affordability measures in our province.

4. INCREASING THE PROPERTY TRANSFER TAX ON THE VALUE OF HOMES OVER \$3 MILLION

Speculation has led to distortions in our housing market, raising prices and turning homes into commodities. These rising housing prices have benefited many people. Those who have benefited the most from the rising real estate market should contribute their fair share.

That's why our government is raising taxes on the province's most expensive homes. The first step is to increase the property transfer tax to 5% from 3% on the fair market value that is over \$3 million on residential properties.

5. INCREASING THE SCHOOL TAX RATE ON HOMES OVER \$3 MILLION

Starting in 2019, the Province will be increasing the school tax on homes assessed over \$3 million – here, too, the increased tax will apply only to the value in excess of \$3 million.



This is what a progressive tax system looks like. These last two measures will not only ask the wealthiest to contribute a little bit more, but they will help to stabilize housing prices. Our tax system should work for all British Columbians, not just those at the top. Our goal is fairness for the people that live, work and pay taxes here. The revenues from these taxes will help address housing affordability in our communities.

6. ALLOWING ONLINE ACCOMMODATION PROVIDERS TO APPLY PST AND MRDT ON SHORT-TERM RENTALS

Home-sharing has grown alongside our traditional accommodation industry. But through global offices and online transactions, these companies have taken root outside of our traditional tax system. It is time to make sure they are properly integrated in our tax system.

Our government is taking bold action to make sure new business models in the sharing economy are operating fairly.

The Province is working to make sure that legitimate home-sharing is appropriately taxed. That's why the Province and Airbnb agreed to move forward with legislative changes to allow Airbnb to collect the 8% provincial sales tax (PST) and the up to 3% municipal and regional district tax (MRDT) on all its accommodation provided in B.C. through its platform on behalf of its hosts. This is the first arrangement of its kind in B.C.

Our goal is to ensure tax fairness. This sets online accommodation providers on an even footing with other short-term rental providers across B.C. The Province will be looking to move forward with similar arrangements with other accommodation platforms in the near future.

This action supports municipalities. Local governments have the authority to regulate short-term rentals. These include setting occupancy limits, requiring



business licenses, setting zoning requirements and setting bylaws around noise and nuisances. Applying the PST and MRDT to accommodation purchased on online platforms is one way the province can make sure businesses are operating fairly in our communities.

Applying these taxes to Airbnb supports housing affordability. These additional revenues will help the Province and local governments ease housing affordability. Local governments will also have access to the additional MRDT revenues.

The sharing economy is part of our economy. This is our first step to ensure these businesses are part of our tax system and ensure fairness.

7. REVIEWING THE HOMEOWNER GRANT TO PROVIDE FAIRNESS FOR RENTERS

Currently, through the Homeowner Grant, the Province offers support for most homeowners. But there is no similar support for renters.

The Province will review the Homeowner Grant program to ensure both renters and homeowners benefit in a similar way.



CRACKING DOWN ON TAX FRAUD AND CLOSING LOOPHOLES



CRACKING DOWN ON TAX FRAUD AND CLOSING LOOPHOLES

Fraud and corruption in real estate are distorting housing prices in B.C. For too long people have been skirting the tax system when investing in real estate, such as claiming more than one home as a principal residence or applying for the Homeowner Grant without living in B.C.

The Province is taking immediate action to reduce tax fraud and close loopholes. Strengthening tax administrators' audit and enforcement powers will help to close information gaps and ensure tax compliance.

8. MOVING TO STOP TAX EVASION IN PRE-SALE CONDO REASSIGNMENTS

For too long, people have been using loopholes to obscure the true nature of ownership in B.C.'s housing market. One loophole is in contract assignments in the condo pre-sale market. Through the selling and re-selling of contract assignments a condo unit can be sold multiple times before the unit is even lived in, with each of those buyers usually inflating the price and not necessarily paying the appropriate tax.

This is unfair to British Columbians trying to buy into the condo market. The people flipping these pre-sale condos should pay their fair share of taxes.

That's why we are building a database on pre-sale condominium assignments. We will require developers to collect and report comprehensive information about the assignment of pre-sale condo purchases. The information will be reported to a designated provincial office. This information will be shared with federal and provincial tax authorities so they can make sure taxes are paid.

Collecting this information will also allow government to develop new taxation models in the future.

9. TAKING ACTION TO END HIDDEN OWNERSHIP

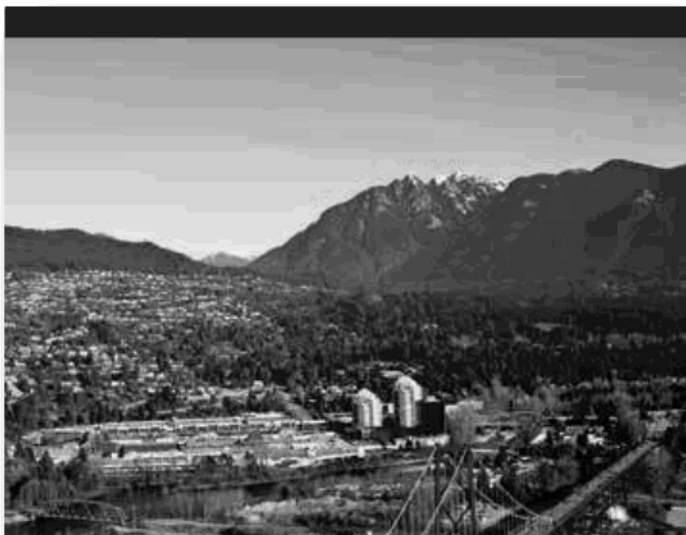
Currently in B.C., true ownership of real estate can be hidden. This means numbered companies, offshore and domestic trusts, and stand-in owners obscure the source of funds in the real estate market. For example, lack of transparency in the land registry means it is not clear who owns nearly half of Vancouver's most expensive properties. This is wrong.

The Province is taking action to close these loopholes and give us a clearer picture of real estate ownership in B.C. It will also help us to crack down on speculators, tax frauds and those engaged in money laundering.

We are taking action in a number of ways to build complete information about beneficial ownership of land and corporations in B.C.

First, the Province will require additional information about beneficial ownership on the Property Transfer Tax form.

Second, we are establishing a registry that will contain information about beneficial ownership of land in B.C., administered by the Land Title Survey Authority. This information will be publicly available and will be shared with federal and provincial tax and law enforcement authorities to assist them in their investigations.



Third, the Province also intends to introduce legislative amendments to require corporations in B.C. hold accurate and up to date information on beneficial owners in their own records offices that will be available to law enforcement, tax and other authorities.

Having a registry means we'll know who owns what. This will help ensure that federal and provincial regulatory, tax and law enforcement agencies have the information they need. By requiring corporations to hold detailed records we'll also be able to track how real estate changes hands.

Together, these actions will help the Province close loopholes in B.C.'s real estate market, and give us a clearer picture of who owns residential property in B.C. The information we collect about beneficial ownership will also allow for the development of new taxation models in the future.

10. STRENGTHENING PROVINCIAL AUDITING AND ENFORCEMENT POWERS

The Province will amend the Property Transfer Tax Act to:

- » increase the limitation period for assessments to six years
- » enable the collection of additional buyer information
- » introduce administrative penalties for non-compliance
- » extend the application of the general anti-avoidance rule
- » enable tax administrators to compel access to information relevant to transfers such as information held in a Multiple Listing Service (MLS) database

These amendments will help government verify the information people provide on their property transfer tax form.

The government will also amend the Income Tax Act and the Land Tax Deferment Act to allow improved information sharing to help better identify when people are abusing the property tax deferment program or double-claiming principal residences. These amendments will help improve tax compliance and enforcement.

11. MOVING TO CLOSE PROPERTY TAX LOOPHOLES ON THE ALR

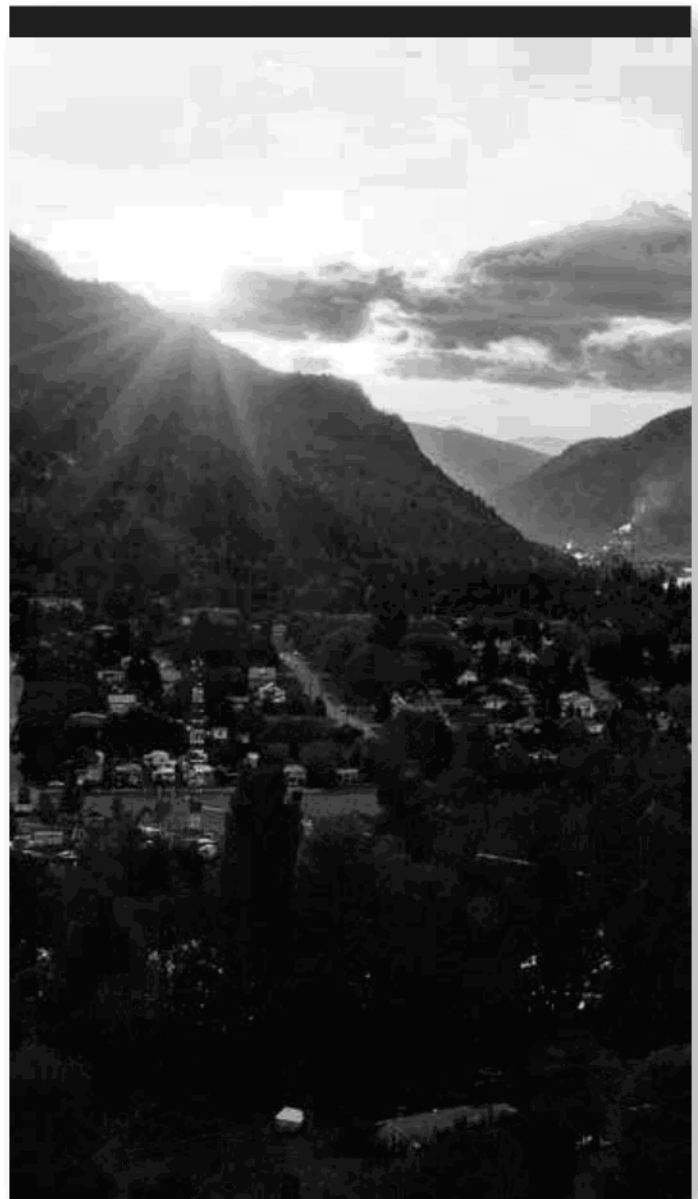
Land in the Agricultural Land Reserve (ALR) should be used for farming, not for investors or mega-mansions. The Province will move to change the property tax treatment of residential property in the ALR as part of a broader review to ensure ALR land is being used for farming.

12. WORKING WITH THE FEDERAL GOVERNMENT TO PREVENT TAX EVASION

Starting in 2019 the Province will collect Social Insurance Numbers as part of the Homeowner Grant application process. This will allow information collected through the Homeowner Grant program to be easily cross referenced with income tax information to catch people inappropriately claiming the grant. This also adds rigour to B.C.'s Homeowner Grant administration to help fight tax evasion, reduce fraud, and ensure people are paying the right amount of tax.

13. PERMANENT PROVINCIAL/ FEDERAL ACTION TO COMBAT MONEY LAUNDERING, TAX EVASION AND AVOIDANCE

The Province has also asked the federal government to formalize a multi-agency working group on tax evasion, money-laundering and housing. Having a dedicated working group would help ensure high priority compliance and enforcement issues in B.C.'s real estate sector are actively addressed. It will also ensure that the B.C. government has the information it needs



to continue to collect and provide data sets required by federal enforcement agencies.

Together these actions will help reduce tax fraud and combat money laundering in B.C.'s real estate market. These are the first steps in making sure the Province and its partners have the information we need to better enforce real estate taxation. British Columbians deserve more effective tax fraud enforcement in our real estate sector.



BUILDING THE HOMES PEOPLE NEED



BUILDING THE HOMES PEOPLE NEED

The right supply of homes is key to addressing housing affordability in British Columbia. After years of prices spiraling out of control and declining availability of the kinds of homes people need, it is clear the market alone is not able to deliver safe, affordable, functional homes for British Columbians.

We are making the biggest investment in housing affordability in B.C. history. This will help build homes for people, create local jobs and open up economic development in communities.

We're investing more than \$6.6 billion over 10 years in homes and housing supports that people need, in every corner of the province – urban, suburban and rural.

14. MAKING A \$6.6 BILLION OVER TEN YEARS INVESTMENT IN AFFORDABLE HOUSING

Through partnerships, government will deliver 114,000 affordable homes over the next 10 years via an historic investment of \$6.6 billion over ten years in the province's future. This housing will fill current gaps in the market, including homes for growing families, homes for seniors, housing options for women and children fleeing violence, and homes for students.

We are working with all levels of government, Indigenous Peoples, non-profits, and the private sector to streamline the creation of new affordable homes in

every region of the province. It can't be done overnight but with sustained action, proactive partnering and smart streamlining; government can provide critical leadership on the supply-side.

15. BUILDING MORE THAN 14,000 RENTAL UNITS FOR THE MISSING MIDDLE

Many middle income people and families in B.C. are struggling to find housing.

Skilled workers – the teachers, service-industry workers, nurses, and carpenters our communities need – are finding it difficult to find and afford quality housing. This hurts people, it hurts businesses and it hurts our economy.

B.C. Chamber of Commerce members overwhelmingly agree that housing costs are a major issue for businesses across the province, with 9 out of 10 business owners agreeing home prices are discouraging workers from living in our communities.



ABOVE: ROSALIE'S VILLAGE PROVIDES AFFORDABLE HOUSING AND DAYCARE FOR SINGLE MOTHERS FLEEING VIOLENCE.

Recognizing historically low vacancy rates and historically high home prices, the Province is investing \$378 million over three years and more than \$1.8 billion over the next 10 years in rental housing to improve housing choices for middle income British Columbians, including seniors and families.

This builds on the investment of \$208 million to help build 1,700 new affordable rental homes that government funded in the Budget 2017 Update.

16. HOUSING FOR WOMEN AND CHILDREN AFFECTED BY VIOLENCE

Women and children fleeing violence and abuse need a safe, secure place to live and support so they can heal.

Budget 2018 makes the first significant investment in housing options for women and children fleeing violence and abuse in the last two decades.

The Province is committing \$141 million over three years and \$734 million over the next 10 years to build and provide housing supports for women and children at this difficult time in their lives.

17. WORKING WITH UNIVERSITIES, INSTITUTES AND COLLEGES TO BUILD HOUSING FOR POST-SECONDARY STUDENTS

Government is partnering with post-secondary institutions to deliver at least 5,000 new spaces in student housing. These new on-campus homes will help more students find an affordable place to live while they pursue their studies.

And as they move closer to their studies, they will free up rental housing in tight rental markets, making it easier for everyone to find homes.

This is a part of a new \$450 million student housing program that will allow public post-secondary institutions to borrow directly from the Province in order to help finance new student housing.

18. FIXING EXISTING PROJECTS WITH AN EYE TO AFFORDABILITY

Improving access to safe, affordable housing isn't just about planning and building new stock; it's also about taking care of what we already have. Our plan talks more about this in the next section on rental security.

But it also applies to development projects that are already underway but experiencing cost pressures that threaten their long-term affordability.

Our government has reviewed these projects and found that insufficient provincial investments into new homes in prior budgets mean that many of the buildings started by the previous government will not be affordable for the British Columbians they were supposed to help. As a result, our government is committing more than \$75 million over the next two years to address the cost pressures with an eye to making sure these 4,900 homes remain affordable.

19. PARTNERING TO BUILD SOCIAL HOUSING FOR INDIGENOUS PEOPLE

Indigenous British Columbians, more than 70 percent of who live off-reserve, are disproportionately represented among the homeless population and are under-housed in B.C. Our investments in Indigenous and social housing will seek to address that gap.

Over the next 10 years, the Province is investing \$550 million into the construction of 1,750 units of social housing for Indigenous people in British Columbia. This housing will be developed in partnership with the Aboriginal Housing Management Association, Indigenous housing societies, and First Nations.

In order to ensure the right housing is being created and to advance reconciliation efforts, we will look to engage

Indigenous peoples to develop the housing design and delivery system.

20. BUILDING 2,500 NEW SUPPORTIVE HOMES FOR PEOPLE STRUGGLING WITH HOMELESSNESS

We recognize the growing and urgent problem of homelessness in B.C. communities.

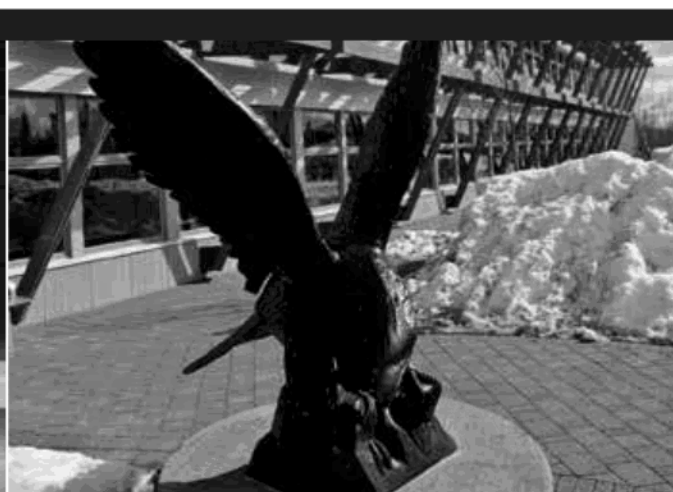
In just the last six months, the Province has joined communities across B.C. – including Vancouver, Surrey, Terrace, Prince Rupert, Kelowna, and Kamloops – to begin building more than 1,300 new modular homes for people in need, with hundreds more to come.

These partnerships were made possible by the \$291 million in capital funding and operating funding of \$216 million over three years to provide ongoing services and supports for those most in need.

Given the urgent need to address homelessness in B.C. communities, Budget 2018 builds on this successful program with funding for an additional 2,500 new homes with 24/7 support for people who are homeless or at risk of homelessness.



TS'IT'S'UWATUL' LELUM (DUNCAN) PROVIDES AFFORDABLE HOUSING SPECIFICALLY DESIGNED FOR INDIGENOUS ELDERLY AND PERSONS WITH DISABILITIES.



DRIVER HOUSE (DAWSON CREEK) OFFERS LOW- TO MODERATE-INCOME RENTALS FOR INDIGENOUS FAMILIES AND SENIORS.



IMPROVING SECURITY FOR RENTERS

IMPROVING SECURITY FOR RENTERS

Too many British Columbians are worried about how they will afford housing in the future and even whether they can stay in the housing they already have.

Renters are facing increasingly limited housing options as rents continue to rise and vacancy rates remain persistently low, particularly in urban centres.

Owners of manufactured homes are also feeling uncertainty as the land their homes sit on rises in value and is targeted for redevelopment.

People need to feel secure in their housing. That's why we are taking action to support seniors and low-income British Columbians who are in danger of losing their rental housing by increasing rental supports, strengthening rental laws, upgrading existing affordable housing and enhancing protections for owners of manufactured homes.

21. EXPANDING AND INCREASING BENEFITS TO SENIORS LIVING INDEPENDENTLY and 22. EXPANDING AND INCREASING THE

RENTAL ASSISTANCE PROGRAM TO HELP WORKING PARENTS

Rental assistance programs give low-income households the choice of where they want to live and help with housing costs. The Shelter Aid for Elderly Renters (SAFER) program and Rental Assistance Program (RAP) make housing more affordable for low-income seniors and working families who rent their homes in the private market.

Over the last number of years these programs have not kept up with increasing rent costs, leaving many seniors and families struggling to get by.

Budget 2018 invests \$116 million over three years to increase the average benefit under RAP and SAFER programs, and will expand the eligibility criteria for RAP – families with gross household annual incomes of up to \$40,000 will now be eligible, up from the previous ceiling of \$35,000. As a result of these enhancements, more than 35,000 households become eligible for





ABOVE AND BELOW: DAHLI PLACE (VICTORIA) PROVIDES AFFORDABLE RENTAL HOUSING.

increased monthly benefits, including 3,200 newly eligible seniors and families.

Effective September 2018, on average, seniors will receive an extra \$930 per year, and the increase for families will be about \$800 more per year.

23. STRENGTHENING PROTECTION FOR RENTERS AND MANUFACTURED HOME OWNERS

Property owners provide housing for more than a quarter of B.C. residents.

Unfortunately, some landlords have taken advantage of the tight rental market and their actions have had serious impacts on people. Loopholes in rental laws that allow landlords to wrongfully evict tenants and unfairly jack up rents have left many British Columbians feeling renting is not a secure and predictable housing option.

People who pay their rent and abide by their tenancy agreement should be able to count on their housing. Landlords also deserve certainty. They need to know that if they have a tenant who breaks their rental agreement that it will be dealt with quickly.

That's why we are updating our housing laws to provide more fairness for everyone.

We have already ended the abuse of fixed-term leases and eliminated the geographic rent increase clause, both of which were being used to unfairly jack up rents.

And we increased funding to the Residential Tenancy Branch to reduce wait times, improve service and deal with disputes more quickly, while also strengthening the Residential Tenancy Act and the penalties for those who repeatedly break the law.



Too many people are left struggling to find new housing they can afford when they are evicted to allow for large-scale renovations or when older, affordable buildings are demolished to make way for new development.

While landlords need to be able to make necessary repairs and upgrades to existing rental stock, current protections are not sufficient to ensure those displaced can find new homes, or pay associated moving costs. Government will make changes to the laws that apply in cases of renovations or demolitions to ensure that renters left without housing have adequate support, and to provide a stronger response to cases where landlords misuse these provisions.

Some owners of manufactured homes have been forced to abandon their investments with little compensation for having to move or find a new home.

This has left people, many of them in retirement, without a safe, affordable place to live, and without the help they need to find housing elsewhere.

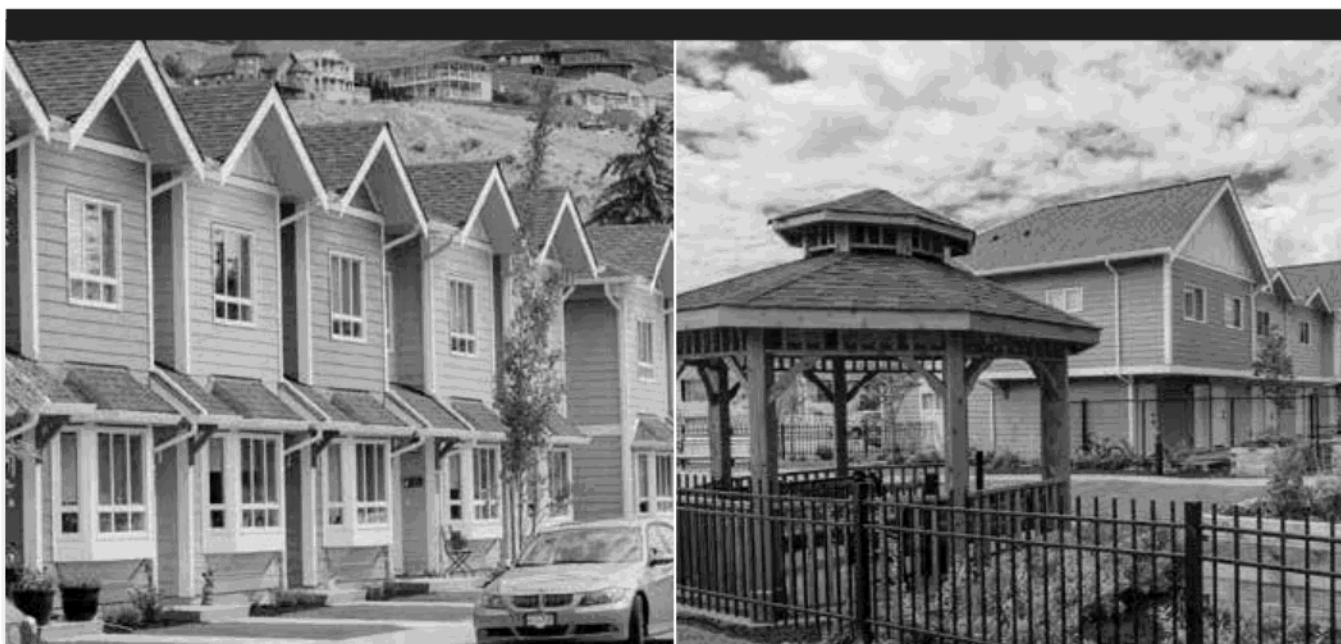
Recognizing the impact on these families, the Province will strengthen the laws protecting owners of manufactured homes when changes to land use displace them.

24. EXTENDING THE LIFE, QUALITY AND AFFORDABILITY OF EXISTING AFFORDABLE HOUSING

To ensure existing social housing continues to be safe and secure, we are investing over \$1 billion over 10 years into seismic and fire-safety upgrades and essential building repairs and maintenance, making homes safer and more comfortable for residents. This is the largest investment in refits and renovations of social housing in B.C. in more than 20 years.

To ensure existing social housing continues to be safe and secure, we are investing \$1.1 billion over 10 years into seismic and fire-safety upgrades and essential building repairs and maintenance, making homes safer and more comfortable for residents. This is the largest investment in refits and renovations of social housing in B.C. in more than 20 years.

These investments will also lower carbon emissions, and cut energy costs for non-profit providers and residents alike.



LEFT AND RIGHT: PLEASANTVALE (KELOWNA) PROVIDES AFFORDABLE HOUSING UNITS FOR SENIORS AND TOWNHOMES FOR FAMILIES.



BUILDING PARTNERSHIPS FOR AFFORDABILITY



HYAD PLACE (NORTH VANCOUVER) PROVIDES RESIDENTIAL APARTMENTS FOR ADULTS WITH DEVELOPMENTAL DISABILITIES.

BUILDING PARTNERSHIPS FOR AFFORDABILITY

The Province cannot build its way out of the housing crisis on its own. That's why we're bringing together partners from all levels of government, Indigenous organizations, non-profits and the private sector to build the right supply together.

We will build on these emerging housing partnerships by expanding government's work with Indigenous governments and organizations, with non-profits, and with the private sector, with the goal of building capacity and becoming a catalyst for new affordable housing development.

It will take a sustained, coordinated effort to meet the most pressing housing needs facing people and communities. Thankfully, the federal government, the Union of B.C. Municipalities, many individual local governments, and innovators in the private and non-profit sectors have already put forward their own strategies for addressing housing, signalling a desire to work together to make life better for British Columbians. For the first time, all levels of government understand and are prepared to act on the urgent need for housing. BC will work with these and other partners

to ease housing affordability and give people more housing options.

25. HOUSINGHUB: BUILDING PARTNERSHIPS. BUILDING HOMES

The province is creating HousingHub – funded by winding down the BC Home Owner Mortgage and Equity Partnership program – to build partnerships and affordable homes where British Columbians need them most.

The Hub will partner with the non-profit sector, faith groups, for-profit builders, all levels of government and others to find and develop or re-develop available land and buildings, creating affordable homes for people who live and work in our communities.

The Hub will act as a project coordinator for owners who are not experienced developers but want to create affordable housing with a reasonable rate of return, to benefit their communities.

HousingHub will also work with new investment sources, such as pension fund and social impact investors to find the best financing solutions for local projects and local people.

26. EMPOWERING LOCAL GOVERNMENTS

The Province recognizes that local governments are on the front lines of the housing crisis, and are well positioned to help advance the development of new homes.

Communities need solutions that work for them. For example, in some communities, the tourism industry is struggling to find workers because workers can't find affordable housing. Housing affordability has become an economic issue. The Province is taking action to put the power and resources to address housing challenges in their hands.

It begins by fully defining the problem. The provincial government is committing \$5 million over three years to help fund housing need assessments for local governments, the first step to building housing for people.

We'll work closely with municipal partners to eliminate barriers to affordable housing and develop new tools, such as rental zoning, that will empower local governments to support and accelerate the construction of homes people need.

27. EXPANDING THE USE OF MRDT REVENUES FOR AFFORDABLE HOUSING

The Province is expanding the allowable use of municipal and regional district tax (MRDT) revenues to include housing affordability initiatives. Prior to this policy change, MRDT revenues could only be spent on tourism marketing, programs and projects. This will help those communities struggling with housing tourism workers more options. This will give local governments across B.C. additional flexibility to fund housing initiatives.



28. ENCOURAGING MORE RENTALS VIA PROPERTY TAX EXEMPTIONS

Communities throughout B.C. are faced with tight rental markets. They need support to bring new rental supply online. Our government is taking bold action to give municipalities the support they need to bring new rental supply online.

To help local governments, the Province will mirror the increase to the available property tax exemptions provided under municipal revitalization agreements for qualifying purpose-built rental housing. These agreements encourage the construction and preservation of rental housing by waiving municipal property taxes. The Province is increasing the incentive provided to those operating purpose-built rentals by extending the exemption to include provincial property taxes. This will help encourage developers to build more rental housing.

The Province is also reaching out to the federal government to explore additional ways governments can overcome cost barriers to develop new purpose-built rental construction.

We understand the needs of communities and we're doing our part to support municipalities in their efforts to increase housing supply.

29. EMPOWERING HOMEOWNERS IN STRATAS TO DEAL WITH SHORT-TERM RENTALS

The increasing use of condos for short-term rentals has been difficult for many living in strata developments. Noise, mess and security issues are just a few of the reasons why some strata corporations restrict short-term rentals in their buildings.

If homeowners in a strata building want to limit short-term rentals, the bylaws need to provide enough of a deterrent. People who live full-time in strata buildings deserve the peace, quiet and security they pay for.



Low fines and penalties don't stop some short-term rental operators from breaking strata bylaws. Many absorb fines as part of the price of doing business.

That's why we're empowering strata corporations to charge increased fines and penalties against rule-breakers who disrupt people's sense of peace and housing security.

30. EXPANDING TRANSIT AND BUILDING COMMUNITIES

The Province is a full partner in the Metro Vancouver Mayors' Council vision for improved transit and transportation across the region. As part of this, we will work with TransLink and local governments in Metro Vancouver to increase density and improve the availability of affordable housing around transit stations. Smart investments in transit will allow residents to live, work and play in complete communities, and reduce transportation costs for families.



CONCLUSION





WHERE WE GO FROM HERE

The housing crisis has been building for many years. No single policy or approach is capable of reversing the decline of housing affordability in British Columbia. By addressing demand, supply and security at the same time, we will bring down the curve of housing costs and improve options for people looking for a home.

While the housing problems our province faces are immense, there is tremendous will from all levels of government, First Nations, non-profits and the private sector to make changes and make a difference in housing affordability for people in our province.

We will continue to work with our partners to, streamline the creation of affordable homes and build on innovative solutions to tackle the challenges in our housing market.

**VISIT OUR WEBSITE AT:
WWW.GOV.BC.CA**



February 20, 2018

NEWS RELEASE

Budget 2018 puts people first, makes life more affordable for British Columbians

VICTORIA — *Budget 2018* carves a new path to shared prosperity for everyone in our province with a made-in-BC child care plan, a comprehensive housing plan and record levels of capital investment in every corner of our province, Finance Minister Carole James announced today.

“Budgets are not only about the bottom line, they should be about people. That’s why British Columbians are at the centre of every choice we have made in *Budget 2018*,” said James. “These include historic investments in child care and affordable housing that will be felt for generations.”

Over three years, an investment of more than \$1 billion dollars will set the Province on the path to a universal child care plan that will make child care affordable for parents and caregivers, create more than 22,000 child care spaces across the province, and ensure those spaces meet rigorous quality and safety standards.

Budget 2018 also lays out a comprehensive housing plan that introduces new taxation measures to tackle foreign and domestic speculation, to close loopholes and crack down on tax fraud, and to stabilize housing prices. It invests more than \$1.6 billion over three years to build and maintain affordable rental housing, help finance student housing, increase rental assistance for low-income seniors and working families, and provide supportive housing for at-risk British Columbians.

“*Budget 2018* balances the needs and priorities of British Columbians with the fiscal prudence that marks B.C. as an economic leader in Canada,” said James. “Our province needs bold action, and *Budget 2018* delivers by investing in choices that make life more affordable, improve the services we all count on, and support a strong, sustainable economy for all British Columbians.”

Making Life More Affordable

Building on our progress-to-date, *Budget 2018* takes action to make life more affordable by:

- Introducing a new affordable child care benefit that will reduce child care costs by up to \$1,250 per month per child and support 86,000 B.C. families per year by 2020/21.
- Providing up to \$350 per month directly to licenced child care providers to reduce fees for an estimated 50,000 families per year by 2020/21.
- Curbing speculation in our housing market and helping to build 114,000 affordable rental, non-profit, co-op and owner-purchase housing units through partnerships.
- Eliminating MSP premiums by Jan. 1, 2020, saving individuals up to \$900 a year, and families up to \$1,800 a year.
- Making ferries more affordable by freezing fares on all major BC Ferries routes, reducing fares on non-major routes and fully restoring the Monday to Thursday seniors passenger fare discount.
- Improving B.C.'s Fair PharmaCare program to eliminate deductibles for families with annual net incomes below \$30,000, starting Jan. 1, 2019. Approximately 240,000 families will receive expanded coverage.
- Reinstating free bus passes with the flexibility to support other transportation needs will help over 100,000 people receiving disability assistance to better connect them with their communities and the services they rely on.

Delivering the Services People Count On

British Columbians deserve services they can depend on. That's why *Budget 2018* invests in priority services, including:

- Significant investments in health care with funding of \$548 million over three years to improve care for seniors and \$150 million to help connect those who do not have a family doctor with team-based primary care.
- Hiring more teachers, bringing our total to over 3,700 new hires across the province to support students and meet the need for qualified teachers in B.C.
- Making a historic investment of \$50 million this fiscal year to support the revitalization and preservation of Indigenous languages in B.C.
- Dedicating \$18 million to services that provide outreach and counselling support for women and children affected by violence.
- Improving access to justice through increased funding for legal aid, family law services, and the hiring of more sheriffs and court staff to help reduce court delays.

Building a Strong, Sustainable Economy

Budget 2018 invests in a strong, sustainable economy through our greatest resource — our people, by:

- Supporting communities hit the hardest by the 2017 wildfire season and investing in wildfire preparedness to protect people, communities and wildlife.
- Increasing funding for B.C.'s agri-food sector to support enhanced Buy BC, Grow BC and Feed BC initiatives to drive consumer demand and get B.C.'s goods to overseas markets.
- Confirming the removal of fees for Adult Basic Education and English Language Learning to give people opportunities to grow and succeed.
- Partnering with industry, the federal government and First Nation communities to support Indigenous skills training programs with \$30 million over three years.
- Increasing grants administered through the BC Arts Council and Creative BC, which support our vibrant communities and creative economy.
- Expanding B.C.'s tuition waiver program and increasing financial support for former youth in care while they attend post-secondary school or training programs.

Budget 2018 commitments are being funded by improved revenue forecasts over the fiscal plan period, as well as new revenue sources, including:

- A speculation tax and increases in the foreign buyers tax to address housing affordability in B.C. by reducing foreign demand, and curbing speculation in the residential property market, and
- An employer health tax to allow for the full elimination of Medical Services Plan premiums.

“For too long, British Columbians have not been able to get the services that they need or afford to live in the communities in which they work or grew up in,” said James. “We are taking bold action to change that with *Budget 2018* — a budget that works for everyone in B.C.”

Learn More:

For more details on *Budget 2018*, please visit: www.bcbudget.ca

For information on government services, programs and for general information, please see: www.gov.bc.ca



BUDGET 2018

WORKING FOR YOU



British Columbia is thriving. Our economy is strong and we've seen record-level employment growth. But strong economic indicators don't tell the whole story. Not everyone in B.C. is getting ahead, and it's time that changed.

Budget 2018 is a budget that works for you. It makes your life more affordable and delivers the services that people count on. It starts with moving forward on a made-in-B.C. child care plan that will make child care more affordable and available for tens of thousands of families. It takes bold steps to tackle housing affordability with a new tax on foreign and domestic housing speculators, an historic investment in housing supply and plans to shut down tax loop-holes and money laundering in our housing market.

Budgets are about choices and Budget 2018 puts people first. It is about investing in education and training so people have the skills they need to get good paying jobs. It is about building critical infrastructure that leads to sustainable economic growth, with the highest level of capital investment in B.C.'s history.

An economy that works for everyone starts with a budget that works for everyone. Budget 2018 helps people get ahead because we believe all British Columbians should have the opportunity to reach their full potential.

HONOURABLE CAROLE JAMES
MINISTER OF FINANCE AND DEPUTY PREMIER

HOMES FOR B.C.

Budget 2018 introduces B.C.'s first **comprehensive housing plan** focused on tackling speculation, curbing demand, increasing housing supply and improving security for renters. Our plan will start to ease B.C.'s housing affordability challenges with targeted tax changes, including:

- » Creating a new speculation tax on those distorting British Columbia's housing market. The tax will target foreign and domestic speculators who don't pay taxes here, including those who leave their units sitting vacant. This will include satellite families.
- » Increasing and expanding the foreign buyers tax, so foreign buyers contribute more for the high quality of life they enjoy when they move to our province.
- » Stabilizing the housing market by increasing the property transfer tax and the school tax on the wealthiest homeowners who buy or own homes valued higher than \$3 million.
- » Taking action to reduce tax fraud and close loopholes. We are strengthening tax administrators' audit and enforcement powers to help close information gaps and ensure tax compliance.
 - Moving to stop tax evasion in pre-sale condo reassignments.
 - Taking action to end hidden ownership.
 - Strengthening provincial auditing and enforcement powers.

Our housing plan includes actions to build the homes people need and improve security for renters, including:

- » Investing more than \$6 billion over 10 years in affordable housing, including homes for growing families, homes for seniors, housing options for women and children fleeing violence, and student housing. This is the largest investment in housing in B.C.'s history.
- » Increasing rental assistance so that payments to low-income working families will increase by an average of \$800 per year and payments to seniors will increase by an average of \$930 per year, helping over 35,000 households make their rent more affordable.

- » Increasing supports for renters, strengthening rental laws, upgrading existing affordable housing, and enhancing protections for owners of manufactured homes.
- » Creating the new HousingHub through BC Housing to build partnerships and affordable homes where people need them most.

For more information, visit:
www.bcbudget.gov.bc.ca

TAXES ON SPECULATORS AND FOREIGN BUYERS



○ **SPECULATION TAX.** A new tax on foreign and domestic speculators. It will apply in Metro Vancouver, Fraser Valley, Capital and Nanaimo Regional Districts, and the municipalities of Kelowna and West Kelowna.

● **FOREIGN BUYERS TAX.** Increase to 20% from 15% effective February 21, 2018. It will continue to apply in Metro Vancouver, and will be expanded to the Fraser Valley, Central Okanagan and Nanaimo and Capital Regional Districts.

CHILD CARE B.C.

People are struggling to find affordable, quality child care in their communities. Businesses are finding it challenging to attract and retain employees because parents can't go back to work without someone to look after their kids. Making sure child care is affordable is good for families and it is good for our economy. For more information, visit: www.bcbudget.gov.bc.ca

BUDGET 2018 INVESTS MORE THAN \$1 BILLION IN CHILD CARE AND EARLY LEARNING OVER THREE YEARS.

Your government is establishing a made-in-B.C. universal child care plan. The plan will help build a quality child care system that is affordable and accessible, starting with:

- » A new affordable child care benefit that will provide up to 86,000 families across B.C. with up to \$1,250 per month in child care cost relief by 2020.
- » A new child care fee reduction program that will benefit up to 50,000 families. Starting on April 1, 2018, parents with children in participating licensed care will be eligible for the following fee reductions:
 - Up to \$350/month for group infant/toddler care;
 - Up to \$200/month for family infant/toddler care;
 - Up to \$100/month for group care for children aged 3-5; and
 - Up to \$60/month for family care for children aged 3-5.
- » The creation of more than 22,000 new licensed child care spaces throughout the province, and incentives for licensed service providers to offer child care outside of standard business hours.
- » Boosting the supply of Early Childhood Educators to meet growing demand and rising quality standards.



SINGLE PARENT WITH AN INFANT

Earning up to \$45,000

PAYING: \$1,250/MONTH

SAVINGS UNDER CHILD CARE B.C.:

- » \$350 through Child Care Fee Reduction Program
- » \$900 through Affordable Child Care Benefit

Total benefits under Child Care B.C. \$1,250

Cost of licensed child care beginning in September 2018:

\$0 /month



TWO-PARENT FAMILY WITH AN INFANT AND A THREE YEAR OLD

Earning \$74,000

PAYING: \$2,050/MONTH

SAVINGS UNDER CHILD CARE B.C.:

- » \$450 through Child Care Fee Reduction Program
- » \$1,492.40 through Affordable Child Care Benefit

Total benefits under Child Care B.C. \$1,942.40

Estimated cost of licensed child care beginning in 2020:

\$107.60 /month

MAKING LIFE MORE AFFORDABLE

Our vision is for an economy that works for everyone. This starts with a budget that works for people.

In September's Budget 2017 Update, we took important steps to help make life more affordable by investing in areas like affordable housing, increasing income assistance and disability rates, and introducing a plan to increase the minimum wage to \$15/hour. With Budget 2018, we are continuing to make choices that work for the people of our province.

ELIMINATION OF MEDICAL SERVICES PLAN (MSP) PREMIUMS

» Starting Jan. 1, 2018, MSP premiums were cut in half, saving individuals up to \$450 per year, and families up to \$900 per year. With Budget 2018, we are announcing the **elimination of MEDICAL SERVICES PLAN (MSP) PREMIUMS**, effective Jan. 1, 2020.

MSP premiums are regressive, unfair and difficult to administer. British Columbians are the only people in Canada that have to pay these unfair fees. Including the 50% reduction, fully eliminating MSP premiums will mean families will save up to \$1,800 per year, and individuals up to \$900 per year.

- To help fund the elimination of MSP premiums, we are introducing an employer health tax.
- Small businesses with payrolls less than \$500,000 will not pay any employer health tax.
- Businesses with payrolls between \$500,000 and \$1.5 million will benefit from a reduced rate.
- Businesses with payrolls over \$1.5 million will pay the full rate of 1.95%.



FULLY ELIMINATING MSP PREMIUMS

Effective Jan. 1, 2020



TWO-PARENT FAMILY WITH TWO CHILDREN

FULL PREMIUMS: \$1,800/PER YEAR

Cost once **MSP PREMIUMS
ARE FULLY ELIMINATED**
(as of Jan. 1, 2020):

\$0 /month



INDIVIDUALS

FULL PREMIUMS: \$900/PER YEAR

Cost once **MSP PREMIUMS
ARE FULLY ELIMINATED**
(as of Jan. 1, 2020):

\$0 /month

BC FERRIES

Budget 2018 delivers on government's commitment to make ferries more affordable. Ferry costs have skyrocketed, putting coastal communities at a disadvantage that is costly and unfair. Businesses that use ferries to transport goods are feeling the pinch too.

That's why we are:

- » Freezing ferry fares on all three major routes;
- » Rolling back fares on small routes by 15%; and
- » Restoring the Monday-Thursday 100% fare discount rate for senior passengers.

B.C.'s ferries are part of our highway system, and they should be affordable.



- » **Over 100,000 people** receiving disability assistance will benefit from the restoration of their **free bus passes or a monthly transportation supplement**. Travelling in their communities and accessing services they need will be a little easier and a lot more affordable for them with a \$214 million investment over three years.
- » We are working to improve taxpayer fairness in B.C. Starting April 1, 2018, we're **increasing PST on luxury vehicles**, and using the revenue to help pay for better services for British Columbians.

BRINGING DOWN THE COST OF PRESCRIPTION DRUGS

- » People shouldn't have to choose between paying for their medications and putting food on the table. For many, the cost of prescription drugs and medical supplies has put serious strains on household budgets. The \$105 million investment in the **FAIR PHARMACARE** program will expand coverage for 240,000 B.C. families.
- » All families with household net incomes under \$45,000 will benefit from this investment.
- » Deductibles will also be eliminated entirely for families with net annual incomes between \$15,000 and \$30,000.



240,000 B.C. FAMILIES BENEFIT



DEDUCTIBLES ELIMINATED

- » Families with net incomes below \$30,000.

DEDUCTIBLES REDUCED

- » Families with net incomes below \$45,000.

DELIVERING THE SERVICES PEOPLE COUNT ON

British Columbians deserve services they can depend on. Whether that's ensuring healthcare for a loved one, securing education for their kids or keeping communities safe people need access to quality services. Quality services can mean the difference between getting support for addiction or mental health challenges or suffering alone. They can mean the difference between getting help with learning English and integrating into the community, or struggling to learn alone and remaining isolated.

That's why we took immediate steps in the Budget 2017 Update to improve services and address some of people's most pressing needs. With Budget 2018, we are continuing to invest in the quality, reliable services people need.

- » Too many British Columbia families are losing loved ones because of the overdose crisis. First responders, health care professionals and community organizations are doing all they can to turn the corner on this crisis – but they need help. That's why, last year, your government created a standalone **Ministry of Mental Health and Addictions** and invested \$322 million over the next three years. This year we will help move B.C. from a focus on emergency response to a more integrated, proactive and preventive approach that helps people when and where they need it.
- » In September, we removed tuition fees for youth formerly in care, as well as for adult and English language learners. Building on our commitment to help youth in care, Budget 2018 provides \$30 million to increase financial support under the **Agreements with Young Adults** program. This program is critical for many of our young people aging out of care, helping them with rent, groceries and career advice. This support will help more than 800 former youth in care.
- » We are taking action to get you the healthcare you need. That's why we are investing \$150 million over three years to **expand coverage of primary care providers** and access to team-based care to those not currently not being well-served.

» Seniors deserve to live full lives, without having to worry about the cost of housing or the quality of care in assisted living facilities. Budget 2018 provides help for seniors:

- 22,000 low-income seniors will benefit from investments to the rental assistance program known as SAFER - **SHELTER AID FOR ELDERLY RENTERS**. This \$58 million investment over three years will increase the amount a SAFER recipient receives by an average of \$930 per year.
- A \$548 million investment over three years will mean better residential care for seniors and **MORE QUALIFIED SUPPORT STAFF** in assisted living facilities. This will help ensure our seniors, parents and grandparents are treated with dignity and respect.



» In the Budget 2017 Update, we made an historic investment in education to give kids the classrooms they need to thrive. Budget 2018 continues investing in our kids with \$72 million in funding to hire additional teachers, bringing the total new teachers added under the **CLASSROOM ENHANCEMENT FUND** to 3,700. Our schools will get a boost from an additional \$2 billion over three years that will help maintain, replace, renovate or **expand schools** across the province.

 **+ 3,700**
NEW TEACHERS

THE FIRST STEPS TO ADDRESSING RECONCILIATION

- » British Columbia is committed to working with Indigenous Peoples to build true and lasting reconciliation, anchored by our commitments under the United Nations Declaration on the Rights of Indigenous peoples.

Every Ministry in government has been given a responsibility for adopting and implementing the Declaration. Addressing reconciliation is a shared responsibility and Budget 2018 takes first steps on this path.

- » Our province is rich in natural beauty, and for generations B.C. parks and campsites have been a favourite destination for B.C. families and tourists to enjoy.

- To keep that tradition alive, we're expanding **BC PARKS CAMPSITES** with \$5 million over three years.



- Budget 2018 also invests in **PROTECTING B.C.'S WILDLIFE** with an investment of \$14 million over three years to revitalize B.C.'s wildlife management initiative.



- \$9 million to cover operating pressure for **CONSERVATION OFFICER SERVICES**.



An historic **\$50 MILLION** investment to support Indigenous communities seeking to revitalize **CONNECTIONS TO THEIR LANGUAGES**;



\$158 MILLION in partnership with **INDIGENOUS HOUSING SOCIETIES AND FIRST NATIONS** to build and support 1,750 units to address housing needs of Indigenous peoples;



\$6 MILLION over three years for **ABORIGINAL FRIENDSHIP CENTRES**, to support stable funding for continued outreach to Aboriginal people living both on and off reserve;



\$16 MILLION over two years to the First Nations Health Authority to support **MENTAL HEALTH AND WELLNESS** in Indigenous communities;



Investing in expanding the **HEAD START PROGRAM**, both on and off reserve, in partnership with the federal government;



\$30 MILLION over three years for the **INDIGENOUS SKILLS TRAINING DEVELOPMENT FUND**, supporting programs such as computer literacy and safety training; and



The creation of a new **INDIGENOUS LAW PROGRAM** at the University of Victoria.

BUILDING A STRONG, SUSTAINABLE ECONOMY

Your government is working to build a strong economy in every corner of our province, where small businesses thrive, workers have well-paying jobs, and people have the opportunity to reach their full potential. B.C. is an economic leader in Canada and is recognized for its fiscal stability and triple-A credit rating. In 2017, employment grew faster than any other part of Canada, and retail sales, housing starts and exports exceeded all expectations.

In the Budget 2017 Update, we immediately helped businesses by cutting the small business income tax rate and reducing the PST on electricity for businesses.

Budget 2018 continues to support businesses by investing in the people who are helping to build B.C.'s strong economy.

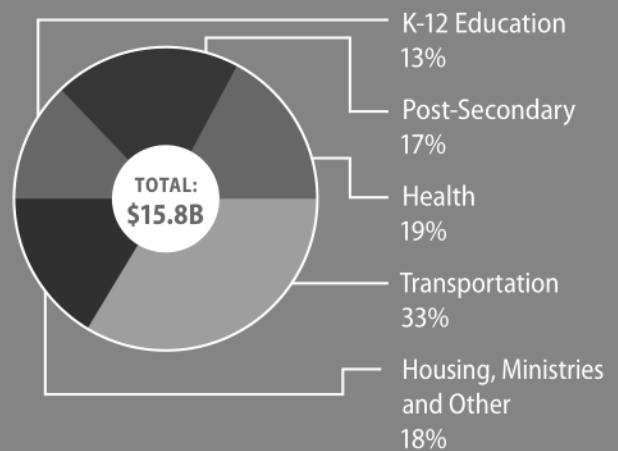
» **Capital investments** support our strong economy by providing jobs during construction, and much-needed infrastructure in our communities. The construction of these schools, roads, health facilities, post-secondary institutions and other investments will support over **50,000 direct and indirect jobs** during construction. For example:

- Replacing the Pattullo Bridge with a new four-lane bridge.
- Replacing Handsworth Secondary School in North Vancouver.
- Partnering with post-secondary institutions to deliver 5,000 new student housing spaces on campuses.

» **Investing in skills training** means investing in the people that drive economic growth:

- Adding \$19 million annually to help give people opportunities by making Adult Basic Education and English Language Learning free.
- Boosting computer sciences, information technology and engineering with an \$11-million investment in our colleges, universities and vocational institutes.
- Investing almost \$9 million to help newcomers adjust to their new lives in our province.

» We are making the largest capital investment in B.C. history. Capital spending totals \$15.8 billion over three years on schools, hospitals, post-secondary facilities, roads, and bridges.



- » B.C.'s agriculture sector exports across the country and around the world creating jobs and contributing to our economy. Budget 2018 invests \$29 million over three years in the **Grow BC, Feed BC, Buy BC program** to expand local marketing efforts and improve brand recognition of B.C. products overseas.
- » The 2017 wildfire season was unprecedented, with 65,000 people displaced from B.C. communities. To help support the businesses and communities impacted by wildfires, we're investing a further \$72 million in community resilience and recovery, and rural development.

The budget is balanced and we have a prudent fiscal plan. Our historic investments in people and services support a strong and growing economy.

Budget 2018 has a projected surplus of \$219 million and several levels of prudence through a forecast allowance of \$350 million and contingencies of \$550 million in 2018-19.

FOR MORE INFORMATION

Budget 2018 Details: www.bcbudget.ca

Ministry of Finance: www.gov.bc.ca/fin

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