

Cannabis Revenue

Highlights:

- MLA Stone has suggested local governments are frustrated that there is no plan in place for sharing revenue from legal cannabis.
- The early estimate for provincial revenue from cannabis was \$200M/3 years and this was recently revised to \$68M/3 years.

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Budget 2019 – Main Message

Highlights:

- Budget 2019 presents balanced budgets while continuing record investments in housing and childcare and announcing new measures to support families, advance reconciliation and reduce carbon pollution.

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Page 003 of 161 to/à Page 004 of 161

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Background:

- Budget 2019 projects a surplus of \$274 million in 2019/20, \$287 million in 2020/21, and \$585 million in 2021/22.
- Revenue is projected to grow from \$59 billion in 2019/20 to \$62.5 billion in 2021/22.
- Expenses are forecast to be \$58.2 billion in 2019/20 and rise to \$61.6 billion in 2021/22.
- The fiscal plan includes a forecast allowance of \$500 million in 2019/20, and \$300 million in each of 2020/21 and 2021/22.
- Taxpayer supported capital spending is \$6.3B in 2019/20, \$6.8B in 2020/21, and \$6.9B in 2020/21.
- Private sector forecasters expect BC's growth to top all provinces in 2019 and 2020 at 2.4% and 2.7% respectively.
- Once Budget 2019 measures are fully implemented, net taxes for a family of four earning \$60,000 will be 61% lower than in Budget 2016. Net taxes for a family of four earning \$80,000 will be 43% lower. Net taxes for a family of four earning \$100,000 will be 22% lower.
- Budget 2019 includes \$800 million in business tax reductions over the course of the fiscal plan for investment incentives in capital assets, such as buildings, machinery and equipment.
- In the past year, BC has added 61,900 jobs. [Labour Force Statistics, January 2019]
- BC has had the lowest unemployment rate in Canada for 17 months in a row. [4.7 %, Labour Force Statistics, Jan 2019].
- In 2018, BC saw the highest wage growth in a decade. [Labour Force Statistics, Jan 2019].

Budget 2019 – Business Validators

Quotes:

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(Scotiabank Economics, Feb 20, 2019)

” Lindsay Kislock, Vice
President, Mining Association of BC, Feb 19, 2019).

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(Laird Cronk, BC Federation of Labour President, Feb
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(Noah Berson, chairperson of the Alliance of B.C. Students, February 19, 2019)

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(Stewart McGillivray, government relations strategist with the BCIT Student Association, Feb. 20, 2019)

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Housing Association, February 19, 2019).

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" (Thom
Armstrong, Executive Director of the Co-operative
Housing Federation of B.C., February 19, 2019).



..... (Dan Woynillowicz, Clean Energy Canada, Feb 19, 2019)



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” (Clean Energy Canada, Feb 19 2019)



’ (Karen Lam Wu, B.C. director at the Pembina Institute and a member of B.C.’s Climate Solutions and Clean Growth Advisory Council, February 19, 2019).

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' (Robert Phillips, First Nations Summit
political executive, February 19, 2019)

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British Columbia Assembly of First Nations, February
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Budget 2019 Debt

Highlights:

- The Opposition may allege that the growth of capital spending is unsustainable.
- The ratio of taxpayer supported debt to GDP is projected to be 15.0% in 2019/20, 15.7% in 2020/21, and 16.1% in 2021/22.

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Page 018 of 161

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Background:

- Budget 2019 projects a surplus of \$274 million in 2019/20, \$287 million in 2020/21, and \$585 million in 2021/22.
- The fiscal plan includes a forecast allowance of \$500 million in 2019/20, and \$300 million in each of 2020/21 and 2021/22.
- Taxpayer supported capital spending is \$6.3B in 2019/20, \$6.8B in 2020/21, and \$6.9B in 2021/22.
- Projected provincial taxpayer supported debt is \$46.4B in 2019/20, \$50.5B in 2020/21, and \$53.9B in 2021/22.

Capital investments include:

- EDUC: Royal Bay Secondary expansion; New South Side Area Elementary-Middle school in Chilliwack; Sullivan Heights Secondary addition in Surrey
- TRAN: Replacing the Pattullo Bridge (\$1.377B); Broadway Subway (\$2.827B); Replace Bruhn Bridge in Sicamous (\$225M)
- AEST: student housing loan program (\$450M); Camosun College Health Sciences Centre (\$64M); Expansion of trades training facilities at Selkirk College in Nelson (\$23M)
- HLTH: New St. Paul's Hospital at the Station Street site in Vancouver (\$1.915B); A new patient care tower at the Royal Inland Hospital in Kamloops (\$417M)
- Housing: 200 interim and permanent modular units as part of the Homelessness Action Plan (\$61M), bringing the total to 2,200 supportive housing modular units.
- CRF: Abbotsford Courthouse (\$152M); Maples Adolescent Treatment Centre & Provincial Assessment Centre (\$64M)
- BC is the only province rated triple-A with all three international credit rating agencies: Moody's, Standard and Poor's, and Fitch.
- Private sector forecasters expect BC's growth to top all provinces in 2019 and 2020 at 2.4% and 2.7% respectively.

ICBC – Budget Projections

Highlights:

- Media has asked about projections showing ICBC back in the black by 2020/21.
- MLA Stone stated on CHNL that the ICBC projections in Budget 2019 are “never going to happen” (Feb. 20, 2019).
- ICBC is currently on track to record a \$1.18 billion loss in 2018/19 – a larger than expected loss, following 2017/18’s \$1.3 billion loss.
- On April 1st, 2019 major reforms around minor injury claims will come into effect, including: a limit on payouts for pain and suffering for minor injuries, use of the Civil Resolution Tribunal, and improved accident benefits for people.
- The number of crashes continues to increase and injury claims costs have soared by 43% in just five years.

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Page 021 of 161

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Validator Quote:

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– ICBC CEO Nicholas Jimenez (Feb. 19, 2019)

Background:

- On Jan. 2, 2019, the British Columbia Utilities Commission (BCUC) approved ICBC's application for a 6.3% increase to basic insurance rates on an interim basis for the policy year beginning April 1, 2019.
- ICBC is currently on track to record a \$1.18 billion loss for 2018/19 – a larger than expected loss, following 2017/18's \$1.3 billion loss.
- ICBC's current mandatory Basic insurance rate is, on average, ~\$1,000 per year.

Changes to the Basic Insurance Product (April 1st, 2019):

- In Feb. 2018, government announced changes to the Basic Insurance product:
 - \$5,500 cap on general damages for pain and suffering resulting from legally defined minor injuries, with the option to purchase more coverage;
 - Substantial increases to wage loss, funeral and death benefits;
 - Alternative Dispute Resolution for the majority of injury claims through the Civil Resolution Tribunal to reduce costs for ICBC and so that claimants who don't use a lawyer will get to keep their entire settlement, rather than paying a portion of it to lawyer fees;
 - Payment of wage loss and medical expenses as they occur rather than lump cash settlements, and ICBC becomes second payer on tort wage loss and medical costs;
 - A doubling of the upper limit for medical and rehabilitation costs from \$150,000 to \$300,000;
- These changes are projected to bring in net savings of over \$1 billion annually to ICBC – without these changes, British Columbians would be paying more for their basic insurance.
- Increases to medical benefits are retroactive to January 1, 2018 with other changes to take effect April 1, 2019.
- The escalating cost of injury claims is the single biggest factor impacting basic insurance rates.
- Injury claims costs have soared by 43% in just five years; projected to total \$3.67 billion in 2018 alone.
- B.C. is the last province in Canada to introduce some form of restrictions to address rising minor injury claims payouts.

Escalating Legal Administration Costs

- Almost half of each litigated settlement is now being absorbed by legal costs.
- Over the past year, the increasing use of expert reports has contributed to inflating ICBC's settlement costs by 20%.

Budget 2019: Miscellaneous Topics

Highlights:

- The Opposition may ask why certain platform, mandate letter or general commitments were not included in Budget 2019.

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Budget 2019 – Child Opportunity Benefit

Highlights:

- Budget 2019 introduces the BC Child Opportunity Benefit – a new benefit to help parents meet ends meet and give families and kids extra support.
- The Opposition may criticize government for taking benefits away from some families and for not introducing the new benefit until October 2020.

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Page 026 of 161

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Background:

- Budget 2019 introduces the new BC Child Opportunity Benefit. It will be effective October 1, 2020.
- The new Child Opportunity Benefit transitions and expands the current Early Childhood Tax Benefit (ECTB).
- While the ECTB was only available for children up to the age of six, the new BC Child Opportunity Benefit will support children up to the age of 18.
- The maximum benefit under the ECTB was just \$660.
- Starting October 2020, families with one child will receive up to \$1,600 per year, those with two children will receive up to \$2,600 and those with three children will receive up to \$3,400.
- This means that a family can receive as much as \$28,000 from the time a child is born until they reach adulthood. For a family with two children, support from this benefit can surpass \$40,000.
- The BC Child Opportunity Benefit will provide total annual benefits of nearly \$400 million – this is \$250 million more than is currently spent on the early childhood tax benefit.
- The majority of BC families will receive the benefit:
 - ~~✗~~ ○ Families with one child earning up to \$97,500 are eligible.
 - ~~✗~~ ○ Families with two children earning up to \$114,500 are eligible.
- As of 2016, BC had the second worst poverty rate in Canada – 12% of people live in poverty. [Statistics Canada, 2016]
- 557,000 people struggle to get by each day – and 99,000 are children. [Statistics Canada, 2016]

97,500 1 child
114,500 2 children

Budget 2019 Child Care

Highlights:

- The government released Budget 2019 on February 19 and gained mixed media reaction for its child care investments, with some commenting there's not much new money, and others celebrating the continuation of a record investment.
- Budget 2018 made an historic investment of \$1 billion over three years to make quality child care more affordable and available, including through the Affordable Child Care Benefit, the Child Care Fee Reduction Initiative and funding for the creation of 22,000 new licensed spaces.
- Budget 2019 continues these initiatives, providing an additional \$27 million over the fiscal plan to support child care programs.

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Page 029 of 161

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(Sharon Gregson, Coalition of Child Care Advocates of B.C., February 19, 2019)

Background:

- Budget 2018 saw the largest investment in child care in B.C.'s history, with a \$1 billion over three years to lay the foundation for universal child care in B.C.
- Budget 2019 includes a fourth year of the plan and provides an additional \$9 million each year to support the Child Care Fee Reduction Initiative and associated Child Care Operating Fund program.
- Funding for year 1 (2018/19) was \$182 million. There were already scheduled increases for years 2 and 3, and we're building on those through Budget 2019.
- Now, our commitment to childcare will grow to \$366 million in 2019/20, \$473 million in 2020/21 and \$473 million in 2021/22.
- That's more than \$1.3 billion over the next three years to improve the affordability, quality, and accessibility of child care.
- Highlights in the past year include:
 - Delivering a fee reduction for parents of children in licensed care of up to \$350 per month, \$4,200 per year, for more than 52,000 child care spaces.
 - Introducing the Affordable Child Care Benefit (ACCB), which is available to most families in B.C., and can save them up to \$15,000 per year, per child. The ACCB is eligible to households earning up to \$111,000 and will support more than 80,000 B.C. families.
 - Expanding the availability of quality child care by investing \$237 million over three years to support the creation of 22,000 new licensed child care spaces around the province. We are also supporting unlicensed child care providers to make the transition to become licenced.
 - Launching universal child care prototype projects throughout the province, as part of the Early Learning and Child Care Agreement with the Government of Canada. We converted more than 2,600 spaces at 53 child care sites to deliver

child care that will cost families \$200 per month, or less, per child. This has made a huge difference in the lives of these families and is the critical first step towards delivering our vision of universal, affordable child care to B.C. families

- Because early childhood educators (ECEs) are key to delivering quality child care to B.C. families, our Early Care and Learning Recruitment and Retention Strategy supports current and future ECEs through:
- A \$1-per-hour (approximately \$2,000/year) wage enhancement in 2019, with a further \$1-per-hour lift in 2020 (to bring the total increase to approximately \$4,000/year), for those ECEs working at licensed facilities that have been approved for the Child Care Fee Reduction Initiative.
- A \$10-million expansion of the bursary program administered by the Early Childhood Educators of B.C., with the support from the Government of Canada under the federal-provincial Early Learning and Child Care Agreement.
- An additional 620 early childhood educator seats at B.C.'s public post-secondary institutions over three years.
- Access to a variety of professional development opportunities that will support ECEs to stay current on emerging research, trends and practices in the early care and learning sector.

Budget 2019 - CleanBC

Highlights:

- Budget 2019 provides an investment of \$902 million for CleanBC over the next three years.
- The Opposition may continue their critique of CleanBC, stating it looks like an update to their 2015 plan, or they may ask questions about the details around CleanBC's program implementation.

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Page 033 of 161

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Background:

- In December 2018, government launched CleanBC - the pathway to achieve BC's legislated targets of reducing greenhouse gases by 40% by the year 2030, based on 2007 levels.
- The plan identifies measures that will climate 18.9 megatonnes (75%) of BC's 2030 target. Remaining reduction initiatives for the 6.1 megatonnes (25%) will be quantified over the next 18-24 months.
- Budget 2019 provides funding details for CleanBC – a total of \$902 million over 3 years:
 - \$354 million in operating funding
 - \$299 million for programs in development
 - \$223 million for the climate action tax credit
 - \$26 million in capital investments for energy efficiency upgrades and emissions reduction projects in public sector buildings
- CleanBC investments will save middle-class British Columbians up to \$6,000 on the purchase of a zero-emission vehicle, and approximately \$1,500 per year in fuel costs by switching to electricity.
- Budget 2019 provides \$20 million for new public fast-charging stations and hydrogen fueling stations and \$6 million for the clean energy vehicle sector.
- Homeowners who want to switch to high efficiency heating equipment and making their homes more energy efficient will be provide up to \$14,000:
 - \$2,000 to replace oil, propane, or natural has heating system with an electric air-source heat pump
 - Up to \$1,000 to upgrade and better insulate windows and doors
 - Up to \$700 toward highest efficiency natural gas furnace.
- In 2019, government is investing \$15 million to help remote communities switch to cleaner energy.
- The enhanced climate action tax credit will provide up to \$400 for a family of 4.
- To implement CleanBC and enabling legislation, Budget 2019 contributes an additional \$3 million over three years to the Ministry of Environment and Climate Change Strategy.

Opposition on Student Loans

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– Wilkinson (RedFM, Feb. 20, 2019)

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Page 036 of 161

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Federal Tax Changes

Highlights:

- Budget 2019 notes that BC will join the federal government in making \$800 million in business tax reductions over the course of the fiscal plan.
- The Opposition may claim that the provincial government is claiming credit for action taken by the federal government.

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Budget 2019 - Carbon Tax

Highlights:

- As announcing in Budget 2017 Update, on April 1, 2018 the carbon tax increased by \$5 per tonne. It will increase by \$5 each year to meet the federally mandated carbon price.
- Budget 2019 announces increases to the climate action tax credit of 14% for adults and children. A family of four will receive up to \$400 (up \$50 from 2018).
- The Opposition has criticized government's approach to carbon pricing, saying it's not revenue neutral and questioning why the revenue collected isn't all being used for CleanBC initiatives.

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Page 039 of 161 to/à Page 041 of 161

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Background:

- The Federal carbon price mandate begins at \$10/tonne in 2018 and rises by \$10/year to \$50/tonne in 2022. The federal approach will be reviewed by early 2022 to ensure it is effective and confirm future price increases.
- BC's Carbon Tax was implemented on July 1, 2008 at \$10/tonne and was increased \$5 each year until it reached \$30/tonne in 2012.
- Budget 2018 confirmed BC's Carbon Tax will increase by \$5 per tonne each year starting April 1, 2018 in order to meet the federally mandated carbon price.
- It also confirmed an additional \$40 million per year will be provided to low and moderate income British Columbians through enhancements to the climate action tax credit.
- The enhancement raises the benefit for a family of four by \$50, which is equal to the additional cost they would incur from the \$5 increase to the Carbon Tax.
- BC's climate action tax credit now provides up to \$135 per adult and \$40 per child. A family of four receives up to \$350 annually. The maximum benefit goes to families with income up to \$39,658 and is phased out at higher incomes.
- Budget 2019 announces \$223 million over 3 years to increase the climate action tax credit in 2019, 2020, and 2021.
- CleanBC includes a climate change accountability process. This involves a legislative requirement to table an annual report of GHG spending, program results and anticipated reductions in GHG emissions and climate risk from the previous year.
- Effective July 1st, the maximum annual credit is increased by 14% for adults and children.
- Low and middle-income families of four will receive up to \$400 this year, an increase of \$50 over last year.
- The Federal Government's carbon tax rebate will provide a family of four in Ontario with \$307 next year, rising each year to \$718 by 2022.

Film Tax Credit

Highlights:

- The Opposition may ask what the government is doing to manage substantial cost pressure in the province's film tax credits.

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School Tax

Highlights:

- In Dec 2018, Vancouver City Council voted 7-3 on a motion that calls on the provincial government to withdraw the additional school tax on homes over \$3 million.
- The motion also required Mayor Stewart to write a letter to the provincial government, leader of the opposition and leader of the third party outlining the city's request.
- The City of West Vancouver passed a similar motion several weeks later.

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Page 045 of 161

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Background:

- Budget 2018 announced a 30-point housing plan to stabilize out-of-control housing prices and build new affordable housing.
- Starting in 2019, the school tax will increase on homes over \$3 million (top 2%). The tax on assessed value over \$3 million will increase by 0.2% and by 0.4% on value over \$4 million.
- School taxes have existed in British Columbia for decades. The modern residential school tax framework was introduced by the Social Credit government in 1991 and the current rate setting policy has been in place since 2003. The funding has gone directly into general revenue over this period.
- Rental apartment buildings are not subject to the tax increase. It only applies to residential properties with fewer than four families.
- Eligible homeowners (seniors aged 55+ and families with children) can defer all or part of their property taxes – including the increased school tax. The deferment program offers a special low interest loan (1.2 seniors and 3.2% for families with children).
- The average residential property value increase in the last year in the Lower Mainland was far higher than the increase in the school tax: City of Vancouver 5.63%; Richmond 7.54%; North Vancouver 10.17%; West Vancouver 1.12%.
- Average home prices in BC increased by 37.8% over the last 5 years (2012-2017) and 61.5% over the last 10 years (2007-2017).
- Average home prices in Greater Vancouver increased by 41.3% over the last 5 years and 80.7% over the last 10 years.
- In December 2018, Vancouver city council voted 7-3 on a motion that calls on the provincial government to withdraw the school tax on homes over \$3 million. It was brought forward by NPA Councillor Bligh and was supported by the other NPA councillors and Green Party councillors. Mayor Kennedy Stewart and Councillors Swanson and Boyle voted against it.
- The motion also required Mayor Stewart to write a letter to provincial government, leader of the opposition and leader of the third party outlining the city's request.

Renter's Rebate

Highlights:

- Budget 2018 did not include the renter's rebate, and Opposition and media have claimed this is a broken promise.
- Opposition may ask if the delay is because of the Greens, who have stated publicly that they do not support it.
- The Rental Housing Taskforce recommendations did not mention a rebate.

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Page 048 of 161

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Quotes:

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– Nada Elmasry,
renter from New Westminster [Sept 26, 2018
announcement]

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– Karen Sawatzky, Vancouver Renters
Advisory Committee [Sept 26, 2018 announcement]

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” – Khelsilem [kel-SAY-lem],
councillor, Squamish Nation Council [Twitter @Khelsilem,
Sept 26]

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- Isobel Mackenzie, seniors advocate [MAH NR,
Aug 30, 2018]

Background:

- The Renter's Rebate was not included in Budget 2018.
- Budget 2018 introduced the Government's 30 point plan to address housing affordability, Homes for BC.
- This comprehensive plan included measures to stabilize the market, crack down on tax fraud and loopholes, and building the homes people need.
- The 10 year plan includes approximately \$6 billion in direct investment for building housing stock, and \$1 billion for renovations of existing stock.
- Local governments also gained the ability to zone for rentals and use the MDRT (municipal and regional district tax) to fund housing.
- On April 24, our government introduced changes to the Local Government Act and the Vancouver Charter that would allow rental zoning and require municipalities to perform a housing needs assessment every 5 years.
- The housing needs assessment changes also have \$5 million in funding over three years for municipalities to perform these reports.
- On April 10, our government announced the creation of a rental housing task force, headed by Vancouver West End MLA Spencer Chandra Herbert.
- Government acted on two early recommendations from the task force: changing the annual allowable rent increase formula to tie it to inflation only, as opposed to the previous formula of inflation plus 2%; and work with landlords and tenants to establish new criteria for exemptions if landlords incur extraordinary costs.
- In Fall 2018, our government closed the fixed-term lease loophole and eliminated the geographic rent increase clause that had allowed landlords to inflate rent beyond the maximum.
- The task force released a full report in Dec 2018 on other ways to modernize the Residential Tenancy Act and the Mobile Home Parks Tenancy Act.

Bare Trust Loophole

Highlights:

- The Green Caucus have called on the Province to close the “bare trust loophole” in which PTT is avoided using a bare trust.

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Page 052 of 161 to/à Page 053 of 161

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Background:

- MLA Weaver has publicly called for the closure of the “bare trust loophole” several times since being elected, calling for similar action to that taken in Ontario.

BCSC Fine Enforcement

Highlights:

- The government is making the enforcement and collection of BCSC fines a priority.

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Page 056 of 161

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Budget 2019: Bargaining

Highlights:

- Budget 2019 includes anticipated costs for government's Sustainable Services Negotiating Mandate.
- The Opposition may ask questions about the total cost and critique the 2% wage increase each year the mandate provides for unionized employees.

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Page 058 of 161

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Background:

- The Minister of Finance has overarching responsibility for BC's public sector negotiations, reached through the Sustainable Services Negotiating Mandate.
- This mandate applies to all public sector employers with unionized whose collective agreements expire on or after December 31, 2018.
- Elements of the mandate are:
 - Three-year term
 - General wage increases of 2% in each year.
 - Ability to negotiate conditional and modest funding that will drive tangible service improvements for people.
- These negotiations account for about \$23 billion in total compensation that is subject to collective bargaining and covers approximately 326,000 employees and 183 collective agreements.
- The anticipated costs for the Sustainable Services Negotiating Mandate are funded in Budget 2019.
- Budget 2019 allocates \$180 million to line ministries over the three-year fiscal plan to fund all ratified collective agreements reached by December 31, 2018.
- An increase of 1% in total compensation for all employees in BC's public sector, including unionized, non-union and management employees costs approximately \$291 million.
- Out of 326,000 unionized employees working in BC's public sector, there are currently over 198,000 now covered by tentative and ratified agreements under this mandate.

Teacher Bargaining

Highlights:

- Teacher bargaining will formally begin in February 2018.
- Media has speculated the negotiations will be “challenging.”
- The collective agreement between the British Columbia Teachers' Federation (BCTF) and the BC Public School Employers' Association (BCPSEA) expires on June 30, 2019.
- The BCTF has been active in the media telegraphing the issues it intends to address in bargaining, particularly salaries, wage grids and recruitment and retention incentives.

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Page 061 of 161 to/à Page 062 of 161

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Background:

- The collective agreement between the British Columbia Teachers' Federation (BCTF) representing the province's 44,000 public school teachers, and the BC Public School Employers' Association (BCPSEA) representing the province's 60 public boards of education, expires on June 30, 2019.
- Negotiations between the BCPSEA and the BCTF are slated to formally commence in February 2019 under the Province's Sustainable Services Negotiating Mandate. Currently, just over 197,000 public sector employees are now covered by tentative or ratified agreements reached under the Mandate.
- Recent media coverage has speculated that the upcoming round of negotiations will be "challenging" and "hard bargaining".
- The BCTF has been active in the media telegraphing the issues it intends to address in bargaining, particularly salaries, wage grids and recruitment and retention incentives.

Confidence and Supply Agreement

Highlights:

- In a January 2019 interview, MLA Weaver said his caucus voted for the Speculation Tax because it was a confidence matter.
- The Opposition may ask questions about what specifically constitutes matters of confidence.

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- The Opposition Leader has said he wants to “send ICBC to the wrecking yard” (Dec. 14, 2018) and that “it’s time to have privatization” (Nov. 3, 2018)
- On Jan. 2, 2019, a 6.3% increase to basic insurance rates was approved on an interim basis for the policy year beginning April 1, 2019.
- ICBC is currently on track to record a \$1.18 billion loss for 2018/19 – a larger than expected loss, following 2017/18’s \$1.3 billion loss.

Page 066 of 161 to/à Page 069 of 161

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On the Leader of the Opposition:

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– Member, Kamloops South Thompson (Jan. 23, 2018)

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– Keith Baldrey (Twitter, Dec. 14 2018)

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– Gary Mason (Twitter, Jan. 28 2018)

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– Vaughn Palmer (Jan. 26 2018)

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– Mike Smyth (Aug. 17 2017)

Background:

- On Jan. 2, 2019, the British Columbia Utilities Commission (BCUC) has approved ICBC's application for a 6.3% increase to basic insurance rates on an interim basis for the policy year beginning April 1, 2019.
- On Nov. 23, 2018, the Attorney General announced that ICBC is forecasting a larger than expected loss of \$890 million in 2018/19. This follows a loss of almost \$1.3 billion in 2017/18.
- ICBC's current mandatory Basic insurance rate is, on average, ~\$1,000 per year.
- At the Opposition's November 2018 convention, they passed a resolution calling on the B.C. government to "open up the B.C. auto insurance market to competition, giving drivers choice in auto insurance." (Policy Resolutions, p. 5)
- ICBC determines a person's premium primarily on their driving experience, claims history, where they live and how they use their vehicle.
- Private insurance often factors in personal details such as age, gender, marital status, credit score and how drivers finance their vehicles, which can often lead to certain demographics paying significantly more for their insurance.

Rate Design Changes:

- On Aug. 9, 2018, the Province announced ICBC's proposed rate design changes to ensure that insurance premiums more accurately represent a driver's risk.
- The changes will come into effect on September 1, 2019.
- The changes align with feedback government received from nearly 35,000 British Columbians on how to make insurance fairer.
- Key proposed changes to how Basic insurance premiums are set include:
 - Moving to a driver-based model, so that at-fault crashes are tied to the driver and not the person who owns the vehicle;
 - Increasing Basic insurance discounts for drivers with up to 40 years of driving experience, up from the current limit of nine years; and,
 - New discounts available for vehicles with original, manufacturer-installed automatic emergency braking technology and for vehicles driven less than 5,000 km per year;
 - Basic insurance discounts for inexperienced drivers will be adjusted to better reflect their risk;
 - At-fault crashes will have a larger impact on the premium a driver pays;
 - Rate classes and territories data (currently based on 2007 data) will be updated to reflect significant changes in traffic density, population growth and changes in the urban infrastructure; and,
 - An increase to the Driver Penalty Point (DPP) and Driver Risk Premium (DRP) programs of 20% on Nov. 1, 2018 and 20% on Nov. 1, 2019.

Changes to the Basic Insurance Product:

- In Feb. 2018, government announced changes to the Basic Insurance product:
 - \$5,500 cap on general damages for pain and suffering resulting from legally defined minor injuries, with the option to purchase additional coverage;
 - Substantial increases to wage loss, funeral and death benefits;
 - A doubling of the upper limit for medical and rehabilitation costs from \$150,000 to \$300,000;
 - Alternative Dispute Resolution for the majority of injury claims through the Civil Resolution Tribunal to reduce costs for ICBC and so that claimants who don't use a lawyer will get to keep their entire settlement, rather than paying a portion of it to lawyer fees;
 - Payment of wage loss and medical expenses as they occur rather than lump cash settlements, and ICBC becomes second payer on tort wage loss and medical costs;
- These changes are projected to bring in net savings of over \$1 billion annually to ICBC – without these changes, British Columbians would be paying more for their basic insurance.
- Increases to medical benefits are retroactive to January 1, 2018 with other changes to take effect April 1, 2019.
- The escalating cost of injury claims is the single biggest factor impacting basic insurance rates.
- Injury claims costs have soared by 43% in just five years; projected to total \$3.67 billion in 2018 alone.
- B.C. is the last province in Canada to introduce some form of restrictions to address rising minor injury claims payouts.

Escalating Legal Administration Costs

- Almost half of each litigated settlement is now being absorbed by legal expenses.
- Over the past year, the increasing use of expert reports has contributed to inflating ICBC's settlement costs by 20%.
- This includes lawyers' fees, estimated contingency fees, the costs of securing and paying for expert witnesses, and the costs of delay.
- Crashes that happen before April 1 will continue to be handled under the old rules.

Support for Small Businesses

Highlights:

- The opposition may ask if government is acting on recommendations from the small business task force – the report was made public in December.
- The Canadian Federation of Independent Business “Business Barometer” Index has BC at 57.3 in January, a 2.8-point decrease but 1.2-points higher than the national average.

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Page 074 of 161 to/à Page 077 of 161

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Validators:

- Sam Mod, CEO of FreshWorks Studio Inc – Victoria, Vancouver and Seattle [CITZ Sprint with Us NR, July 2018]:

Copyright
C

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- Felix Böck, founder and CEO, ChopValue Manufacturing [JTT Small Business Week NR, Oct 2018]:

Copyright
C

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Background:

Small Business Profile Oct 2018

- Small businesses employ more than one million British Columbians, and account for 54% of private-sector employment in the province.
- In B.C., a small business is defined as a business with fewer than 50 employees or a business that is operated by a person who is self-employed without paid help.
- There are more than 493,000 small businesses in B.C. These small businesses range from family-owned and operated restaurants, to small industrial operations, to self-employed caregivers.
- The utilities sector saw employment growth of 49% — the strongest growth rate of any of the industry sectors, while the construction industry had the largest increase in the overall number of jobs, adding 19,800 employees in the last five years. Specialty trade contractors added 1,440 new businesses.
- The largest growth in B.C. small businesses was the professional, scientific and technical services industry, which added 1,467 new businesses over the past three years. This growth is felt across B.C. with the tech sector being a top provincial performer, with more than 10,000 companies employing over 106,000 people.
- The average small business employee earned an annual salary of \$43,038, compared to \$52,412 for employees of large businesses. The \$9,374 wage gap between small business employees and those working for larger businesses in B.C. is the second smallest in the country following Nova Scotia.
- All regions across B.C. recorded growth of small businesses, the mainland/southwest region, which includes greater Vancouver, is home to about 64% of businesses. On top of registering the strongest small business growth in B.C., the Kootenays also had the largest share of self-employed women in 2017.
- Additional highlights included in the Small Business Profile reflect how integral small businesses are to the B.C. economy compared to most other provinces. In 2017, B.C. ranked second among provinces with 102.4 business per 1,000 persons, marginally behind Alberta. B.C. led all provinces in small business jobs, with a 7.6% increase between 2012 and 2017.

Small Business Task Force

- On Dec. 19, 2018, the Small Business Task Force (SBTF) final report titled Small Business Speaks: Hearing from B.C. Small Businesses about How to Help Make their Future Bright was released.
- The report outlines six key priority areas for action with 73 detailed recommendations. The SBTF categorized the recommendations as short-term (zero to one year), medium-term (one to four years) and long-term (more than four years). The six key priority areas outlined in the report are:
 - Reduce costs of doing business to maintain and strengthen economic growth and competitiveness.
 - More extensive engagement with and consideration of small businesses by government.
 - Increased access to labour and skilled workers to meet demand.
 - More promotion and awareness of programs, services and supports for small businesses.
 - More accessible, effective and reliable government programs, services and supports.
 - Support for greater Indigenous participation in B.C.'s economy.
- The report included an overview of the positive feedback from small business owners who participated in the engagement phase, including:
 - Government's investments in transportation, housing and child care to help reduce the cost of living that will help attract and retain workers.
 - Efforts to reduce costs for small businesses such as the Small Business Tax Rate cut of 20% and the Provincial Sales Tax (PST) exemptions.
 - Acknowledgement of the provincial government's commitment to implement the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), the Truth and the Reconciliation Commission of Canada: Calls to Action and other Indigenous policy frameworks.
 - Government's recognition of the importance of the Provincial Nominee Program in helping small businesses address labour needs.
 - Existing small business programs and services such as BizPal, Mobile Business Licence and One Stop Business Registry.

- Post-secondary dual credit and apprenticeship programs for trade.
- In-person support that small businesses receive from frontline provincial staff and partner service organizations such as Small Business BC, Women's Enterprise Centre and Community Futures.
- Startup, technology and research and development financing and mentorship support to help get businesses off the ground.

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Gender Equity

Highlights:

- If asked about gender equity and/or the Gender Equity Office

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Page 083 of 161 to/à Page 084 of 161

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Surrey Investments

Highlights:

- This is a list of investments the government has made in Surrey.
- The opposition is claiming that Budget 2019 did not address education (portables and increased population growth) or transit (Skytrain and Massey), and the Spec Tax and other taxes are negatively affecting people in Surrey.

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Transportation:

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' - Jonathan Cote, Mayor, New West
[Twitter, Feb. 2019]

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Education:

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Surrey needs. – Laurie Larsen, Surrey Board of Education chair, [News Release, Nov. 2018]

Copyright

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- Anita

Huberman, Surrey Board of Trade [Twitter Nov, 2018]

Page 088 of 161 to/à Page 089 of 161

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Accomplishments

Background:

- This is a list of government's accomplishments since last session – creating good jobs, making life more affordable and improving the services people count on.

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Page 091 of 161 to/à Page 096 of 161

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Accomplishments - Affordability

Highlights:

- Actions the Government is taking to make life more affordable for British Columbians.

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Page 098 of 161 to/à Page 099 of 161

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Accomplishments – Services

Background:

- This is a list of services the Government has improved since being sworn in.

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Page 101 of 161 to/à Page 104 of 161

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Opposition – Broken Promises

Highlights:

- The old government had a long record of breaking promises to British Columbians

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Page 106 of 161 to/à Page 108 of 161

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Quotes:

Copyright

- BC Auditor General Carol Bellringer, ("An Audit of BC Housing's Non-Profit Asset Transfer Program", March 2017)

Opposition - Priorities

Highlights:

- A list of the opposition's positions that would make life harder for people.

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Page 111 of 161

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Jobs and Economy

Highlights:

- Private sector forecasters expect that BC's real GDP growth will be the fastest in Canada for the next two years.
- BC has had the lowest unemployment rate for 21 months in a row

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Page 113 of 161 to/à Page 116 of 161

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Background:

- Private sector forecasters estimate BC real GDP to grow by 2.3% in 2018 – **among the highest in Canada** (behind Alberta and Quebec) and above the national average of 2.1%. [FIN]
- Private sector forecasters expect that BC's real GDP growth will be the fastest in Canada for the next two years.

April Labour Force Survey (released May 2019)

Unemployment

- Unemployment rate at 4.6%
- BC has the lowest in Canada for 21 months in a row.

Job Growth

- Year-over-year employment in the province increased by 82,100.
 - +44,000 full-time and +38,000 part-time
 - +91,200 private sector, -4,300 public sector, and -5,000 self-employed
- Month to month employment:
 - +5,900 jobs (+29,900 full-time, -24,000 part-time), leading all provinces in full time job creation
 - +19,900 private sector, +5,000 public sector and -19,100 self-employed

Wage Growth

- 2018 was BC's highest annual wage growth in the last 10 years.

Exports and Retail

- In 2018, merchandise exports rose 7.3% compared to 2017. [FIN IN, Mar/19]
- In 2018, exports to the U.S. rose 2.3%, while exports to other countries rose 12.5% compared to 2017. [FIN IN, Mar/19]
- In the first quarter of 2019, BC's exports rose 2.1% and the value of B.C.'s commodity exports grew 5.1% in March. [BC Stats, May/19]

Housing

- In April 2019, the level of B.C. housing starts was 51,093 units, up 23% from the same month last year and well above the historical annualized monthly average of 30,000 units [CMHC, May 2019]
- In Vancouver, the number of housing starts remains 34.2% above the 10-year average. [FIN IN, May 19]

Page 118 of 161

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Speculation Tax

Highlights:

- The Opposition continues to raise questions about the impact of the speculation and vacancy tax on people in Belcarra with family cabins.
- On March 14, the Leader of the Opposition was criticized for attacking the speculation tax at a West Vancouver Yacht Club.
- This follows other comments at the end of February where the Leader of the Opposition referred to renting as a “wacky time of life.”

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* reminder letters } 97.1% of returns
(end of May) over 97.1% of returns

Page 121 of 161 to/à Page 126 of 161

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Quotes:

Copyright

(Douglas Todd, reporter, Feb 9, 2018)

Copyright

Copyright

' (Lynda Steele, Talk Show Host, Feb 4, 2019)

Copyright

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(Kelly Greene, Richmond City Councillor, Feb 7, 2019)

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' (Patrick Johnstone, New Westminster City Councillor Feb 9, 2019)

Polls:

- March, Research Co. (BC):
68% support (up 6% from June 2018).
55% of BC Liberal voters support (up 2%)
- September, VoteLocal – Mustel/GVBOT (Metro Van):
77% support measures to curb speculation.
63% of business community support
- May 4-7, Angus Reid Institute (BC):
75% support (45% very good idea, 30% good idea).
62% of BC Liberal voters support
- August 2018, Angus Reid Institute (Metro Van):
88% support the speculation tax.
81% of BC Liberal voters support

Background:

- Between January 21 and February 14, declaration letters will be mailed to 1.6 million homeowners in regions impacted by the Speculation and Vacancy Tax.
- People have until March 31 to declare for an exemption – this can be done online or over the phone.
- Over 99% of British Columbians will be exempt from the tax.
- The tax focuses on BC's major urban centres that are experiencing a housing crisis with near-zero vacancy rates and home prices surging past local incomes.
- The tax applies in the Metro Vancouver Regional District (excluding Bowen Island and Electoral Area A, except the portion of the electoral area that is UBC and University Endowment Lands), the Capital Regional District (excluding the Gulf Islands and Juan de Fuca), Kelowna-West Kelowna, Nanaimo-Lantzville (excluding Protection Island), Abbotsford, Chilliwack, and Mission.
- Primary residences and long-term rentals (rented out at least 6 months a year, in 30 day increments) are exempt from the tax.
- In 2018, tax rate is 0.5% of property value. In 2019 and beyond the rate will stay 0.5% for British Columbians, and Canadians living in other provinces, and will rise to 2% for foreign investors and satellite families.
- British Columbians with a 2nd home valued under \$400,000 will be exempt, and those with a second home valued over \$400,000 will receive a \$2000 credit.
- The BC Real Estate Association reports the average MLS price has eased by 5.2% from last year [BCREA, Dec 2018 vs Dec 2017]
- In the last 6 months, the MLS benchmark price for Metro Vancouver has gone down 7.2% [REBGC, Jan 2019]
- Land under development that is in the permitting process will be exempt.
- Exemptions will be available for special cases such as: someone undergoing medical care or residing in long-term care or temporary absence for work.

Page 130 of 161 to/à Page 138 of 161

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LNG Canada – Agreement

Highlights:

- On March 25th, Government tabled legislation to repeal the LNG Income Tax while retaining the Natural Gas Tax Credit.
- Government also posted the Operating Performance Payments Agreement which lays out contractual terms for LNG Canada to pay the province \$596 million over the life of the project in place of PST on construction costs.
- The Opposition has criticized the operating performance payments as an “interest free loan” to the company and have said they want an exact accounting of the carbon tax revenues from the company.

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Page 140 of 161 to/à Page 142 of 161

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Background:

- On October 18, 2018 MLA De Jong sent a letter to the Minister of Finance asking for details of any deal between the Government of BC and LNG Canada.
- The letter specifically asks for terms of any agreement,
 - whether it includes termination rights for either party,
 - whether it contains 'most favoured nation' or 'me too' provisions,
 - whether it includes specific requirements for hiring, training and local procurement,
 - whether BC offered LNG Canada an indemnity for tax changes
 - whether BC offered LNG Canada an indemnity for costs of GHG regulatory changes.
- The letter notes that according to the LNG Project Agreements Act, the Minister must publish details of an LNG project agreement. The Province did not enter into an LNG project agreement under the LNG Project Agreements Act.
- LNG Canada announced a positive Final Investment Decision for a \$40 billion LNG terminal at Kitimat which has already received regulatory approvals.
- The LNG Canada project will generate investment of \$26 billion in BC and generate more than 10,000 construction jobs and 950 permanent jobs during operations.
- The project will contribute \$23 billion in taxes and royalties to BC revenues over the life of the project.
- In 2016, LNG Canada postponed a Final Investment Decision.
- In March 2018 the Province presented a new framework for natural gas development that would be implemented if LNG Canada proceeds. It includes:
 - Operating Performance Payments to replace PST on construction (same as other major investment projects)
 - Clean Growth Incentive Program as available to best-in-class companies in other energy-intensive, trade-exposed sectors.
 - Access to the standard industrial electricity rate.
 - Removal of the LNG Income Tax so normal Corporate Income Tax applies.
- Industrial ratepayers include mines, mills, as well as UBC, Vancouver airport, Greater Vancouver Water District, and City of New Westminster among others.

Page 144 of 161

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Job Creation

Highlights:

- The Opposition and some business groups have been critical of government's approach to economic development, saying there are no supports for businesses or job growth.

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Page 146 of 161 to/à Page 147 of 161

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Validators:

Copyright

Copyright

” (Laurie Schultz,
President and CEO of ACL privately-owned software
company headquartered in Vancouver, Jan 2018)

Copyright

Copyright

” (Greg D’Avignon, President of
Business Council of BC, Nov 27, 2018)

Copyright

Copyright

” (Marcia Smith, Teck Resources Limited,
Dec 5, 2018)

(Laird Cronk, President of BC
Federation of Labour, Dec 5, 2018)

(Kathy Kinloch, president, BCIT,
and chair of Emerging Economy Task Force, Dec 5,
2019)

(Dr. Wal van Lierop,
founding partner and executive chairman, Chrysalix
Venture Capital, Dec 5, 2018).

(Bryan Cox,
President of Mining Association of BC, Jan 28, 2019)

Background:

- Private sector forecasters estimate BC real GDP to grow by 2.3% in 2018 – **among the highest in Canada** (behind Alberta and Quebec) and above the national average of 2.1%. [FIN]
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- In Vancouver, the number of housing starts remains 34.2% above the 10-year average. [FIN IN, May 19]

Affordability

Highlights:

- On April 1, scheduled increases to BC Hydro rates, ICBC rates and the carbon tax take effect.
- The Opposition may ask questions about these increases and the impact on affordability.

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Page 153 of 161 to/à Page 154 of 161

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Background:

- Budget 2019 has no new tax measures that increase provincial revenues.
- The only change to personal income taxes made by the current government was to reverse the tax cut for individuals with income above \$150,000 (approximately the top 2% of earners) in Budget Update 2017.
- Budget 2018 increased taxes on luxury vehicles, homes over \$3 million, and speculation in the housing market.
- Once Budget 2019 measures are fully implemented, net taxes for a family of four earning \$60,000 will be 61% lower than in Budget 2016. Net taxes for a family of four earning \$80,000 will be 43% lower. Net taxes for a family of four earning \$100,000 will be 22% lower.
- Budget 2019 invests \$233 million over 3 years to increase the climate action tax credit. Effective July 1, 2019 the maximum credit is increased by 14% so that low and middle-income families of four receive up to \$400 this year.
- As a result of annual increases, the climate action tax credits amount on July 1, 2021 will be almost 70% higher than on July 1, 2017.
- According to Statistics Canada, the average family income in BC in 2016 is \$61,291. If single individual families are excluded, average family income is \$82,221.
- On March 28, the Canadian Taxpayers Federation claimed the taxes increases for 2019 equate to \$687 per family.
- On April 1, the following scheduled increases took effect:
 - BC Hydro: +1.8%
 - ICBC: +6.3%
- The carbon tax was introduced at \$10 per tonne in 2008. It increased by \$5 each year until it reached \$30 per tonne in 2012.
- It was frozen in 2013 for 5 years at a price of \$30 per tonne.
- Starting April 2018, the carbon tax was priced at \$35 per tonne.
- It will increase by \$5 per tonne until it reaches \$50 per tonne in 2021.

MSP - EHT

Highlights:

- The EHT replaces Medical Service Plan (MSP) premiums and it came into effect January 1, 2019.
- The Opposition opposes the EHT and have said they would make people pay MSP premiums again.
- Recent media reports have focused on municipal governments raising property taxes, claiming this is due to the impact of EHT.

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Page 157 of 161 to/à Page 160 of 161

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Background:

- The EHT replaces MSP and it came into effect January 1, 2019.
- The EHT won't apply to employers with payroll under \$500,000. For employers with payroll between \$500,000 and \$1.5 million, the tax rate will phase in gradually until it reaches 1.95 per cent at \$1.5 million and above in total payroll.
- In July 2018, Finance released implementation details including a higher threshold (\$1.5 million) for non-profits based on each location rather than for the entire organization. This is based on the ON and MB health payroll taxes.
- The Finance Minister also announced government would cover net costs for public sector bodies like school districts, health authorities, post-secondary institutions. The costs will be managed within existing budget.
- Administrative savings from eliminating MSP premiums are \$50 million/year.
- UBCM passed a resolution calling for changes to the EHT to eliminate any net cost increase to municipalities.
- A UBCM survey found the 77 communities that responded expect total MSP/EHT costs to double between 2017 and 2020. Some communities expect large increases while 21 respondents expect net cost savings by 2020. 39% of respondents said it would lead to property tax increases between 0.01% and 0.5%, 26% said increases between 0.5% and 1% and 15% said up to 2%.
- In 2000, the MSP premium for a single individual was \$36/month but by 2016 that amount had risen to \$75/month – more than double.
- Throughout the weekend of November 2-4, the BC Liberals voted on a number of policy resolutions, including the Employer Health Tax.
- They chose to “repeal the EHT and the 2019 double-dip collection of MSP premiums and the new tax, and plan to eliminate the MSP and return to the original intentions of the BC Liberal party commitment to replace the required revenues by growing the provincial economy.” (Resolution, November 2, 2018)
- Budget Update 2017 announced a 50% cut to MSP premiums effective Jan 1, 2018. This will save individuals up to \$450 per year and families up to \$900/yr.
- Budget 2018 announced that MSP will be fully eliminated on January 1, 2020, saving individuals up to \$900 per year and families up to \$1,800.