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s.13; s.17

# MAKING LIFE BETTER

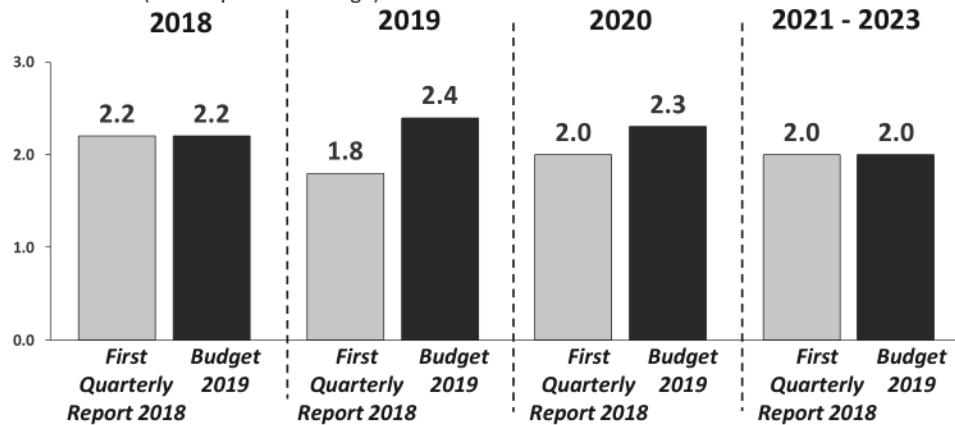
**BUDGET 2019**



# B.C. Economic Outlook

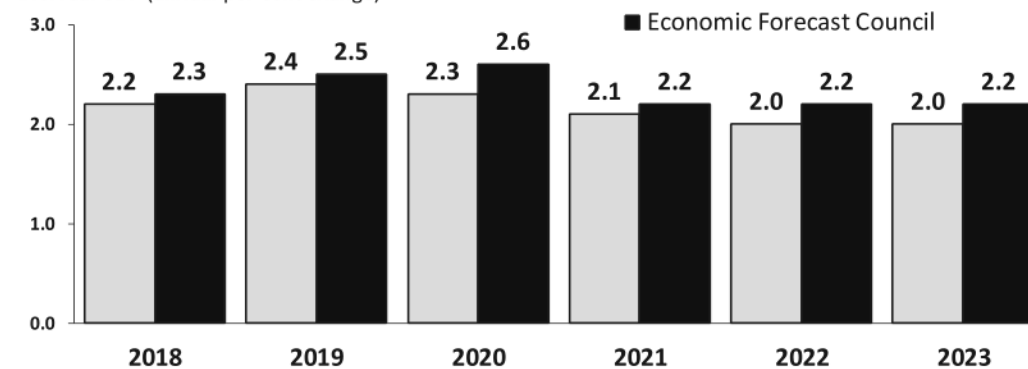
## Changes to Ministry's Economic Forecast

B.C. real GDP (annual per cent change)



## Prudent Economic Forecast

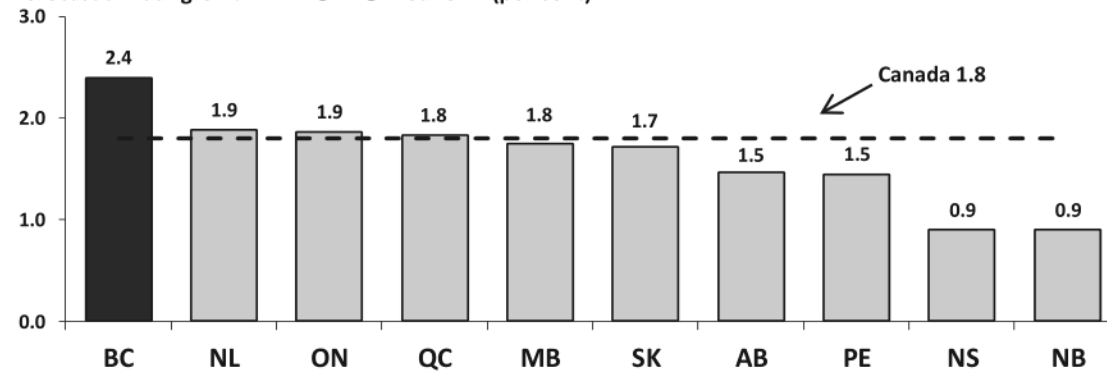
B.C. real GDP (annual per cent change)



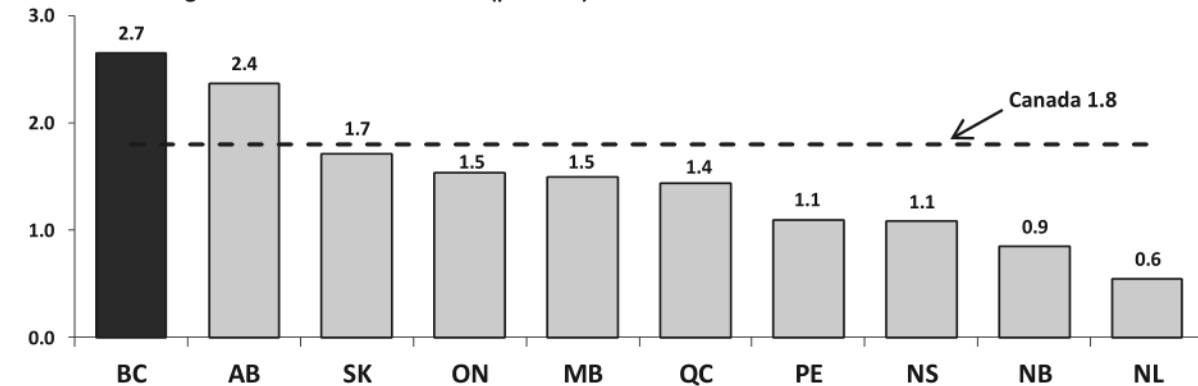
Note: First Quarterly Report 2018 forecast for 2021 - 2023 is for the years 2021 - 2022 and Economic Forecast Council projection for 2021 to 2023 is based on the period average.

# Private Sector Economic Growth Expectations

Forecast annual growth in **2019** real GDP (per cent)



Forecast annual growth in **2020** real GDP (per cent)



# Latest Job Numbers

## **B.C. Job Numbers for February 2019**

- **69,200 new jobs added in the last year**
  - **Vast majority are full-time jobs in the private sector**
- **Unemployment rate of 4.5%**
  - **Lowest unemployment rate in Canada for 19 consecutive months**

# A Balanced Budget

(\$ millions)	Updated Forecast 2018/19	Budget Estimate 2019/20	Plan 2020/21	Plan 2021/22
Revenue .....	56,636	59,047	60,038	62,458
Expense .....	(55,762)	(58,273)	(59,451)	(61,573)
Forecast allowance .....	<u>(500)</u>	<u>(500)</u>	<u>(300)</u>	<u>(300)</u>
<b>Surplus .....</b>	<b><u>374</u></b>	<b><u>274</u></b>	<b><u>287</u></b>	<b><u>585</u></b>
<b>Capital spending:</b>				
Taxpayer-supported capital spending .....	4,771	6,340	6,837	6,911
Self-supported capital spending .....	<u>4,192</u>	<u>4,274</u>	<u>3,333</u>	<u>3,361</u>
	<b><u>8,963</u></b>	<b><u>10,614</u></b>	<b><u>10,170</u></b>	<b><u>10,272</u></b>
<b>Provincial Debt:</b>				
Taxpayer-supported debt .....	43,957	46,384	50,454	53,986
Self-supported debt .....	23,459	25,664	26,905	28,090
<b>Total debt (including forecast allowance) .....</b>	<b>67,916</b>	<b>72,548</b>	<b>77,659</b>	<b>82,376</b>
<b>Taxpayer-supported debt to GDP ratio .....</b>	<b>14.9%</b>	<b>15.0%</b>	<b>15.7%</b>	<b>16.1%</b>
<b>Taxpayer-supported debt to revenue ratio .....</b>	<b>78.4%</b>	<b>81.5%</b>	<b>87.0%</b>	<b>89.6%</b>

# ***Budget 2019: Making Life Better***

***Budget 2019*** puts people first and takes action to make life more affordable, improve services, and build a strong, sustainable economy – all while balancing the budget.

**Government is making life better for British Columbians, by:**

- **Creating the B.C. Child Opportunity Benefit**
- **Eliminating interest on B.C. student loans**
- **Fully eliminating MSP premiums**
- **Reducing the tax burden on middle class British Columbians and businesses**
- **Making a historic investment to advance reconciliation**
- **Moving forward with CleanBC to meet our climate commitments**

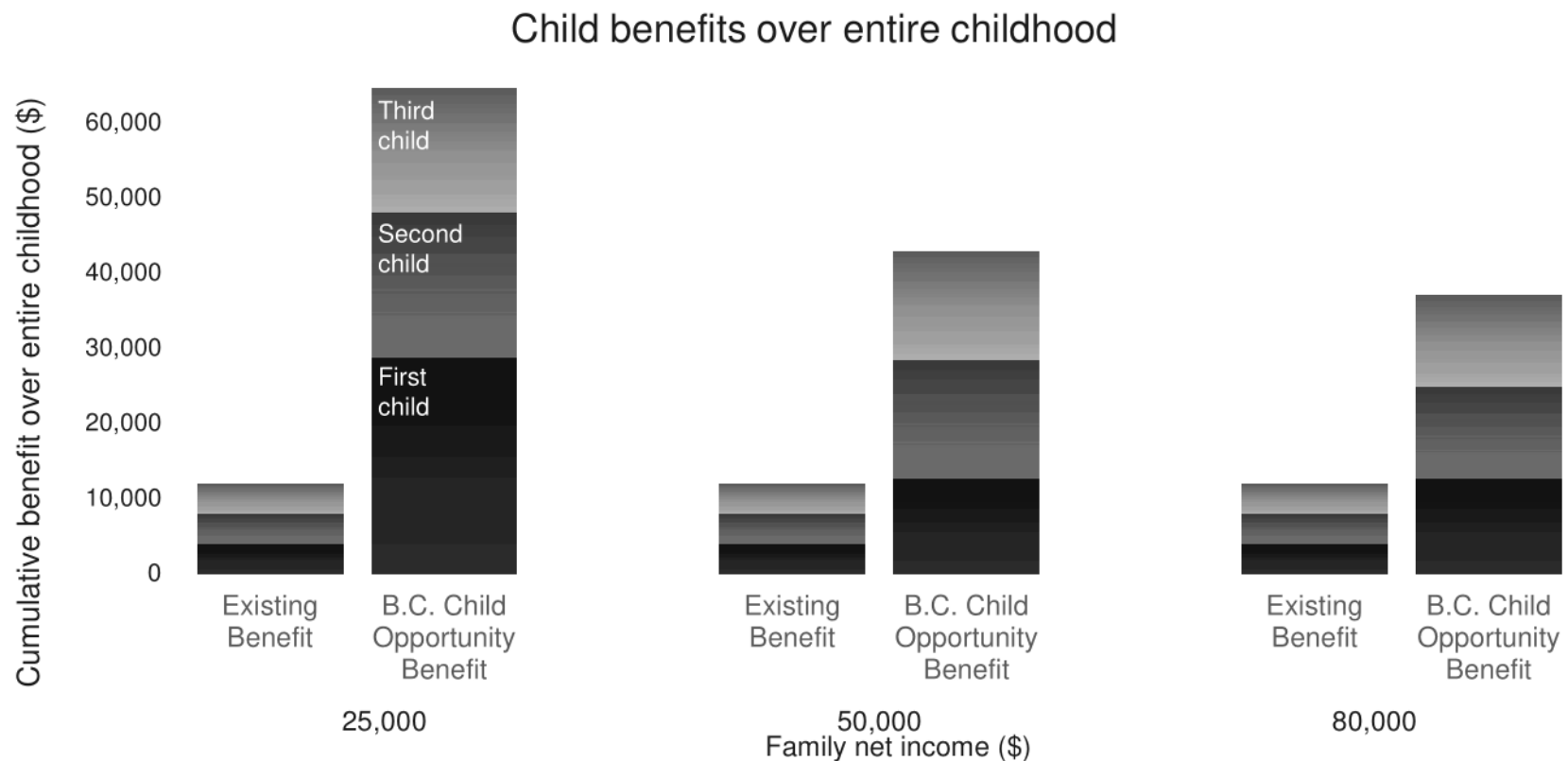
# The B.C. Child Opportunity Benefit

To give kids more opportunities and families some relief, *Budget 2019* introduces the new B.C. Child Opportunity Benefit:

- Beginning in October 2020, the benefit annually provides up to:
  - \$1,600 for one child
  - \$2,600 for two children
  - \$3,400 for three children
- Available for children up to the age of 18
- Over the course of a child's upbringing, families with one child will receive as much as \$28,800

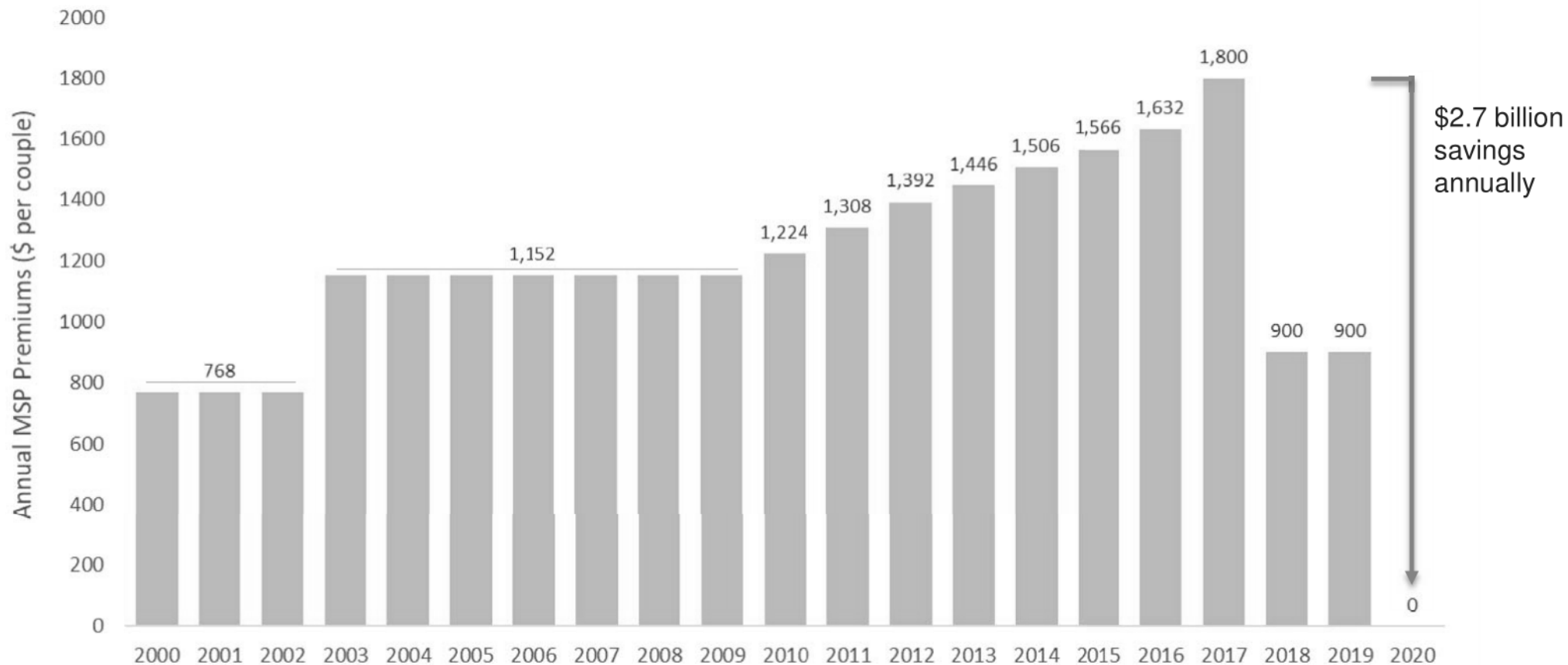


# The B.C. Child Opportunity Benefit



Making Life More Affordable

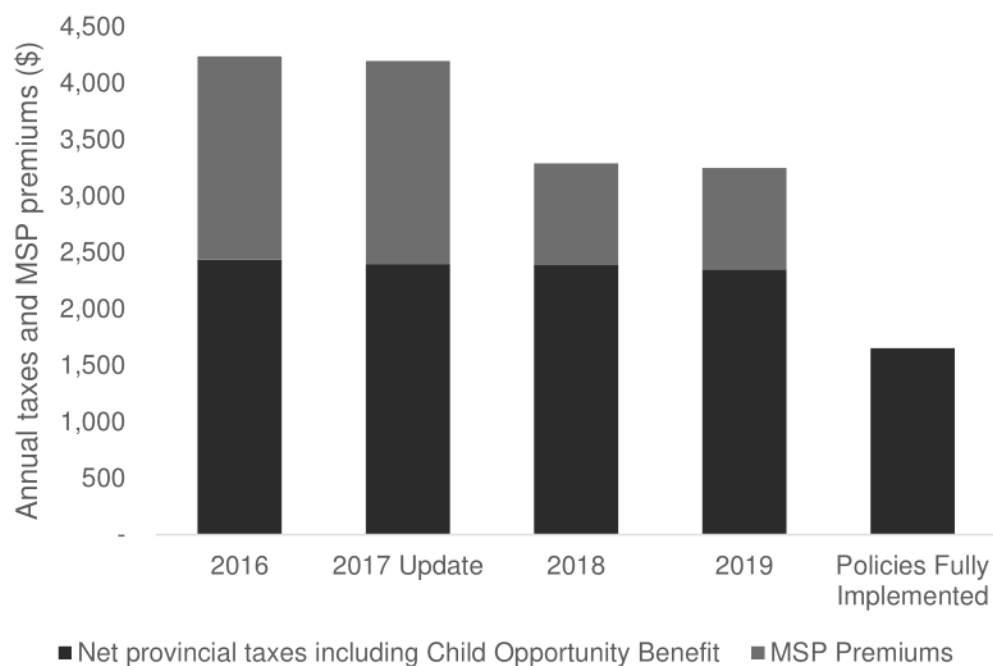
# Eliminating MSP Premiums



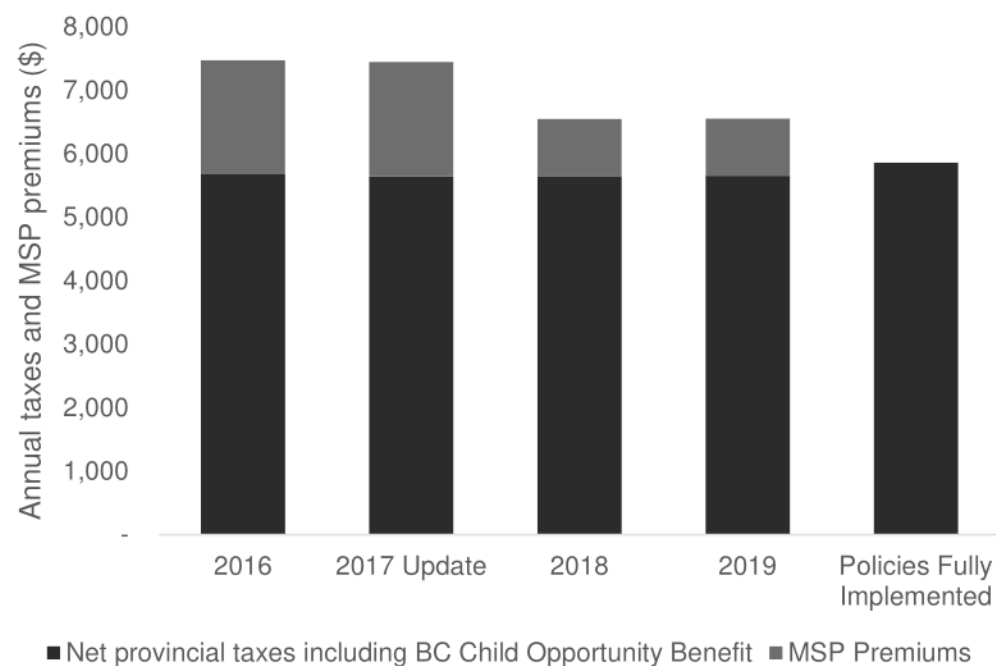
Making Life More Affordable

# Lowering Taxes for Families

Family of four earning \$60,000



Family of four earning \$100,000



Making Life More Affordable

# Eliminating Interest on B.C. Student Loans

- **All B.C. student loans stopped accumulating interest on February 19, 2019**
- **Immediate relief for everyone working to pay off their student loan**
- **Average undergraduate debt has \$28,000 in combined federal and provincial student loan debt**
- **This change will save the average borrower:**
  - **\$2,300 in total interest charges (over 10 years)**

# Investing in Health Care and Education

**Over \$1.3 billion for better, faster medical care:**

- **Hiring more family doctors, nurse practitioners, and pharmacists; building and improving hospitals; and improving seniors care**
- **New investments that will help:**
  - **Address the overdose crisis**
  - **Support those struggling with mental health challenges**
  - **Make sure people can access the prescription medications they need**

**\$550 million to improve classrooms and give kids the education they deserve.**

# Enhancing Business Competitiveness

**We're generating the conditions for businesses to succeed:**

- **\$800 million in business tax reductions to boost competitiveness**
- **Reduced the small business corporate income tax rate to 2%**
- **Eliminating PST on non-residential electricity saving**

**With historic 10-year investments in housing and child care:**

- **More than \$1.3 billion for quality, affordable, accessible child care**
- **30-Point Plan on Housing to bring rental and ownership within reach to help attract and keep young people working in B.C.**

# CleanBC

**Putting our province on the path to a cleaner, better future through a historic \$902 million investment to:**

- **Make cleaner transportation options, like electric cars, more affordable and build the infrastructure to support their use**
- **Improve energy efficiency in homes and buildings, while putting money back in people's pockets**
- **Support industry in reducing carbon emissions**
- **Support Indigenous and remote communities transitioning to cleaner energy sources**

# Reconciliation

***Budget 2019*** takes important steps to advance the path toward true and lasting reconciliation:

- **Revenue sharing with First Nations:**
  - Stable, long-term funding of over \$3 billion over 25 years
  - More resources for communities to invest in health and wellness, housing, road upgrades, training and economic development.
- **Improving the Extended Family Program:**
  - Giving more resources to grandparents and aunts who support kids and keep them out of provincial care



# Investing in Communities

## **Committing \$100 million for the Northern Capital and Planning Grant:**

- To help local governments on the LNG corridor meet current and future infrastructure needs

## **Connecting communities:**

- \$50 million to connect rural and Indigenous communities to high speed internet service
- Helping people get where they need to go with improved bus services in both rural and urban communities
- Improving safety for commuters on our highways and bridges

## **Wildfire response:**

- \$60 million for the Community Resiliency Investment Program to reduce wildfire risk
- \$111 million over three years to increase wildfire response and control capacity

# Supporting Local Economies

**Improving access to skills training and supporting our workforce by investing \$44 million to:**

- **Remove barriers for people to access training and enter trades**
- **Expand access to health care and technology training**
- **Update employment standards to protect vulnerable workers**

**LNG:**

- **\$40 billion liquefied natural gas project**
- **The project will create up to 10,000 jobs during construction and up to 950 permanent jobs**
- **The largest private sector investment in Canadian history**

# Sustainable Economic Development

***Budget 2019* supports sustainable economic development:**

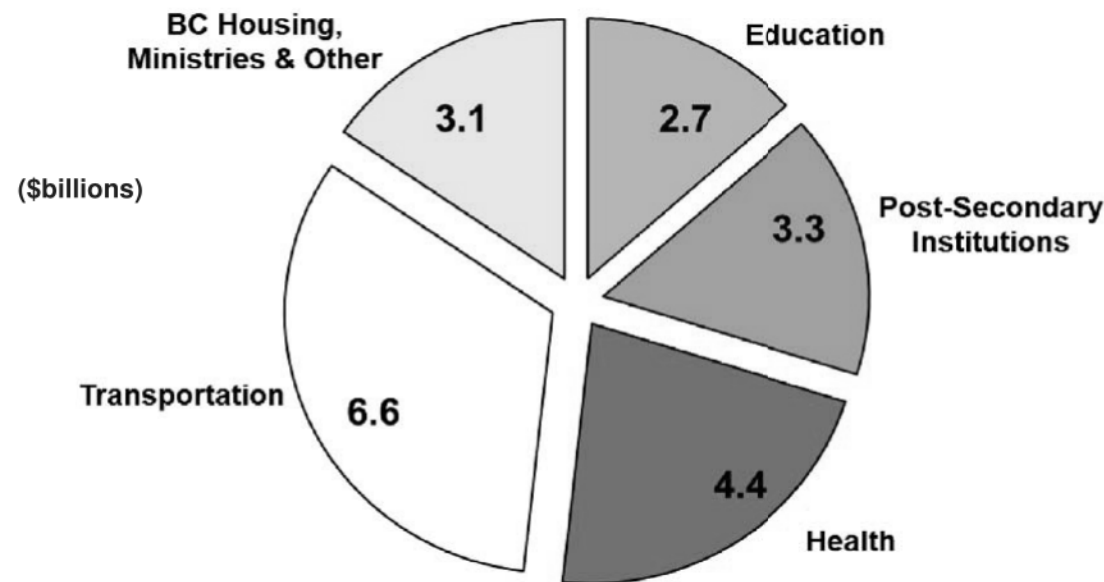
- Funding for Coast Forest Sector Revitalization
- New resources for environmental assessment process revitalization
- Increased investment in environmental monitoring and oversight
- Investing in enhanced regulatory oversight for the mining sector

***Budget 2019* also gives certainty to the mining sector:**

- Mining flow-through share tax credit made permanent
- Mining exploration tax credit made permanent

# Building British Columbia

- Three-year taxpayer-supported infrastructure spending totals \$20.1 billion
- Construction of schools, roads, hospitals and post-secondary institutions will support tens of thousands of jobs during construction



**Building a Strong and Sustainable Economy**

# Transportation Infrastructure

## **INSTPP**

- **Integrated North Shore Transportation Planning Project**

## **Hwy 1 Lynn Creek Connectivity Improvement**

- **Completion expected by the end of 2021**

## **New SeaBus vessel**

- **Increase service between North Vancouver and Vancouver**
- **Completion expected in 2019**

# Investing in your community

## Improving school safety in North Vancouver:

- **Argyle Secondary**
  - seismic replacement
- **Handsworth Secondary**
  - seismic replacement
- **Mountainside Secondary**
  - seismic upgrade

# ***Budget 2019***

**B.C. is expected to lead the country in economic growth in 2019 and 2020.**

***Budget 2019* makes life better by:**

- **Investing in people while balancing the budget**
- **Making life more affordable for British Columbians**
- **Creating opportunity to help everyone reach their full potential**
- **Building a strong economy and putting B.C. on the path to sustainable future**

# MAKING LIFE BETTER

## BUDGET 2019



Ministry of  
Finance



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## ADVICE TO MINISTER

<p><b>CONFIDENTIAL ISSUES NOTE</b></p> <p><b>Ministry: Transportation</b></p> <p><b>Date: March 4, 2019</b></p> <p><b>Minister Responsible: Claire Trevena</b></p>	<p><b>Integrated North Shore Transportation Planning Project (INSTPP)</b></p>
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**BACKGROUND REGARDING THE ISSUE:**

In January of 2018, a steering committee made up of elected officials and a TransLink representative was formed to lead the Integrated North Shore Transportation Planning Project (INSTPP). Alongside the Committee, a staff working group made up of representatives from all levels of government on the North Shore, TransLink and the Vancouver Fraser Port Authority was tasked to understand the access and mobility challenges and explore possible actions. The collaborative approach to transportation planning created a unique opportunity for all partner agencies to produce unified recommendations to improve how people and goods move around the North Shore and across the Burrard Inlet.

INSTPP partners completed the first stage of this work and released its findings in an August 2018 report.

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**Next Steps:**

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Communications: Sukhi Tomana 250-886-1221  
Program: Ed Storm 250-356-1566, Ashok Bhatti 604-527-2172, Andrea Mercer 250 387-4851

Minister's Office	Program Area	Deputy	Communications

## ADVICE TO MINISTER

<p><b>CONFIDENTIAL</b></p> <p><b>GCPE-FIN ISSUE NOTE</b></p> <p><b>Ministry of Finance</b>  <b>RECORD OPR:</b></p> <p><b>Date: Feb. 21, 2019</b></p> <p><b>Minister Responsible: Carole James</b></p>	<p><b>Budget 2019: Business Tax Competitiveness</b></p>
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**BACKGROUND:**

On Feb. 19, 2019 *Budget 2019* enhanced business competitiveness by contributing \$800 million over the fiscal plan for investment incentives in capital assets such as buildings, machinery and equipment.

On Nov. 21, 2019 the federal government released its *Fall Economic Statement 2018*, which included measures to improve competitiveness by allowing the full cost of machinery and equipment used in the manufacturing and processing of goods and specified clean energy equipment to be written off immediately for tax purposes, and by introducing the Accelerated Investment Incentive to support capital investment by businesses of all sizes and across all sectors of the economy. These measures are temporary and apply to property acquired after November 20, 2018 and that becomes available for use before 2028, subject to a phase-out for property that becomes available for use after 2023.

The temporary changes mean that businesses purchasing certain assets can receive an immediate tax savings, instead of receiving the tax savings over several years. This measure accelerates how fast businesses can receive an existing tax savings, which immediately provides businesses with more money to reinvest in the business.

Communications Contact: Melissa Peters 250 356-5698

Program Area Contact: David Karp/Richard Purnell

File Created: Feb. 19, 2019

File Updated:

File Location:

Program Area	Comm. Director	Deputy	Minister's Office
DK/RP	SZ		

## ADVICE TO MINISTER

## ADVICE TO MINISTER

<p><b>CONFIDENTIAL</b></p> <p><b>GCPE-FIN ISSUE NOTE</b></p> <p>RECORD OPR: <b>Ministry of Finance</b></p> <p><b>Date: February 13, 2018</b></p> <p><b>Updated: March 4, 2019</b></p> <p><b>Minister Responsible: Carole James</b></p>	<p><b>MSP-EHT</b></p>
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## **BACKGROUND:**

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### **EHT details:**

The EHT is now in effect 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.

At 1.95%, it is also the lowest rate among provinces with a payroll tax in Canada.

By exempting businesses with payrolls under \$500,000, the EHT is designed to help protect small businesses. Therefore:

- More than 85% of the approximately 400,000 businesses in B.C. will be entirely exempt.
- Less than 5% of businesses will pay the full EHT rate.

On November 8, 2018, the *Employer Health Tax Act* received royal assent to establish the EHT. The Act includes clear rules regarding the frequency of installment payments and defining how payroll amounts are to be aggregated among associated businesses prior to applying deductions and tax rates.

For more information: <https://www2.gov.bc.ca/gov/content/taxes/employer-health-tax/employer-health-tax-overview>



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