

BBOT POLICY BULLETIN

2017 BC Budget

Burnaby Board of Trade Attends Provincial Budget Release in Victoria; Pleased with 5th Consecutive Balanced Budget

February 21, 2017 -- The Burnaby Board of Trade (BBOT) was in Victoria today to represent our members with the provincial government at the unveiling of the 2017 BC Budget. Frank Bassett, Chair of the BBOT Board of Directors, and Cory Redekop, BBOT Policy & Events Manager, were present in the Legislature for Finance Minister Mike de Jong's final budget presentation before the provincial election.

Overall, the BBOT was very pleased to see a 5th consecutive balanced budget and applauds the provincial government's commitment to fiscal discipline and its prudent fiscal management. The budget contained a projected surplus of \$295 million on \$50.8 billion in revenue forecast for the coming fiscal year of 2017/18. The BBOT believes that British Columbia benefits greatly from distinguishing itself as a jurisdiction with sound economy policy as evidenced by balanced budgets, surpluses, and a triple AAA credit rating, especially given the recent uncertainty surrounding economic and trade policy across much of the world.

Of particular note, Budget 2017 announced a 50% reduction in Medical Services Plan premiums for households with an annual net income of up to \$120,000. This reduction was explained as the first step to eliminating the premiums entirely. This announcement is of particular interest to business as many employers are paying the MSP premiums on behalf of their employees, resulting in a significant savings especially for small to medium sized businesses.

Budget 2017 announced eliminating PST on electricity over the coming two years, a positive move which will help businesses across the board, particularly manufacturers and resource firms. That being said, the BBOT will continue to advocate for a phased-in PST exemption on business investments in new equipment, machinery, and software.

Budget 2017 also included reducing the corporate income tax rate for small business to 2% from 2.5% making more money available to small business owners so they can grow their business.

Other highlights of Budget 2017 included \$4.2 billion in increased funding for the Ministry of Health, \$287 million over the next three years to the Ministry of Children and Family Development, and \$740 million in increased funding for the Education budget over three year and an \$87 million investment in the BC Tech Strategy.

As a triple-bottom-line organization, the BBOT will ask our *Social Development Committee* and *Environmental Sustainability Committee* to guide BBOT advocacy in the areas of social and environmental issues.

For more information on Budget 2017:

BC Government Budget 2017 website - <http://bcbudget.gov.bc.ca/default.htm>

BC Chamber of Commerce Budget Analysis - <http://www.bcchamber.org/advocacy-news/2017-budget-breakdown-bc-business-gets-gift-choice>