



NEWS RELEASE

For Immediate Release
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B.C. Budget 2016 earns an 'A' grade from Vancouver Board of Trade

VICTORIA, B.C. — The Vancouver Board of Trade, representing thousands of businesses across the Greater Vancouver region, has assigned an overall grade of “A” to the 2016-17 provincial budget, based on the government’s commitment to disciplined spending, paying down direct operating debt, and improving B.C.’s tax competitiveness.

“Balancing the budget for a fourth year in a row – while other provinces grapple with debt, deficits, and economic uncertainty – is an accomplishment that gives the business community reassurance that B.C. is on the correct course,” said Iain Black, President and CEO of The Vancouver Board of Trade.

“Economists across Canada are predicting that B.C. will lead the country in economic growth this year. It’s clear that is not by coincidence. The government’s commitment to strong fiscal management in recent years, as demonstrated in today’s budget, positions our province to remain ahead of the pack for years to come.”

Members of The Vancouver Board of Trade’s Government Budget and Finance Committee attended today’s budget lockup in Victoria, where they received an advanced copy of the budget and assessed it based on four criteria (below). The criteria were originally submitted to Finance Minister Michael de Jong in a detailed letter in November 2015, along with recommendations for the government. (**Read The Vancouver Board of Trade’s pre-budget submission**).

“This year’s budget has delivered on a number of our requests to the provincial government,” said George Kondopulos, Partner, Tax at KPMG and Chair of The Vancouver Board of Trade’s Government Budget and Finance Committee.

“We were particularly encouraged to see fiscal discipline in light of the continued economic uncertainty seen elsewhere in Canada and the world, the establishment of a commission on tax competitiveness to evaluate current taxation instruments like the provincial sales tax, and proposed changes to the property transfer tax to start addressing housing affordability by increasing the exemption threshold and introducing a third tax rate on higher-valued properties.”

REPORT CARD RESULTS

Debt Management: A+

“The government has aggressively tackled its direct operating debt (or “credit card” debt), reducing it by almost 80 per cent over the past 10 years. At the current rate, its estimated direct operating debt could be completely eliminated by 2020,” said Black.

In addition, B.C. boasts a low debt-to-GDP ratio of 17.4 per cent, which is exceptional when compared to other Canadian provinces that are ballooning upwards to 40 or 50 per cent. This has once again led to B.C. being the only province with an AAA-credit rating by both Moody’s and Standard & Poor’s, which sends a clear message to the international community that B.C. is a safe haven in which to invest and do business.



Spending Management: A-

The government continues to prudently monitor its spending and manage stable annual funding increases to the health-care budget.

Tax Competitiveness: A-

We join other business organizations, such as the BC Chamber of Commerce, in applauding today's announcement that B.C. will establish a new Commission on Tax Competitiveness, with a goal of modernizing our current sales tax.

"Keeping taxes competitive is crucial for our small business Members across Greater Vancouver, and it will help us continue to attract new jobs and investments to B.C.," said Black. "We are also encouraged to see the government expanding the Small Business Venture Capital Tax Credit budget by \$5 million."

Economic Vision: B+

"We are pleased that the government has responded to two specific requests made by The Vancouver Board of Trade in our pre-budget consultations regarding the property transfer tax and housing affordability," said Black. "We look forward to future announcements regarding joint federal initiatives including transit and transportation, eliminating internal barriers to trade, and human capital."

NOTES:

- Premier Christy Clark will give her first official post-budget address at a Vancouver Board of Trade luncheon **tomorrow** (Feb. 17). Media are invited to that event. Keynote begins at 12:20 p.m.
- Iain Black is available for media interviews at the budget lockup in Victoria today. He will also be available for a limited number of telephone interviews following the lockup.

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About The Vancouver Board of Trade:

Since its inception in 1887, The Vancouver Board of Trade has been recognized as Pacific Canada's leading business association, engaging members to positively impact public policy at all levels of government and to succeed and prosper in the global economy. With a Membership whose employees comprise one third of B.C.'s workforce, we are the largest business association between Victoria and Toronto. We leverage this collective strength, facilitating networking opportunities, and providing professional development through four unique Signature Programs. In addition, we operate one of the largest events businesses in the country, providing a platform for national and international business and thought leaders to further enlighten B.C.'s business leaders.

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