
NEWS RELEASE

For Immediate Release
2008OTPO260-001612
Oct. 22, 2008

Office of the Premier

ECONOMIC PLAN SUPPORTS FAMILIES AND BOOSTS PRODUCTIVITY

VICTORIA – The B.C. Government will take immediate steps to improve the province’s economic competitiveness and reduce costs for families and business in the wake of the global economic slowdown, Premier Gordon Campbell announced to British Columbians this evening.

“Today the world’s financial system is in the grips of its worst crisis in over 75 years. World stock markets are reeling, commodity prices are plunging and the world’s financial system is under attack,” said Premier Campbell. “The ripple effects are being felt in every corner of the globe and every region of our province. There are no easy solutions to these problems. However, we are going to act immediately to alleviate the impacts and to emerge stronger than ever.”

Premier Campbell outlined 10 key measures during his address:

1. **Unlimited deposit insurance for deposits to credit unions:** The Province intends to provide unlimited deposit insurance protection on deposits to British Columbia’s credit unions effective immediately. Deposits at credit unions were formerly insured up to a level of \$100,000. All credit unions in the province have deposit insurance through the Credit Union Deposit Insurance Corporation. The new protection will apply to deposits currently covered by this insurance. This brings B.C. in line with Alberta, Saskatchewan, Manitoba, PEI, and New Brunswick, which all also provide unlimited provincial deposit insurance protection. Quebec, Nova Scotia and Newfoundland cover \$250,000. Ontario provides \$100,000 per registered account.
2. **A new pension opportunity:** The Province will create a new private sector pension opportunity for British Columbians who currently have no access to a pension plan. About 75 per cent of private sector workers in B.C. currently have no access to a group pension plan. Flowing from work done with the Joint Expert Panel on Pension Standards with Alberta, in the months ahead the government will spearhead the creation of a privately financed, defined contribution plan that will be available to employers, employees and self-employed people on a voluntary basis.
3. **An accelerated, retroactive personal income tax cut:** There will be a five per cent personal income tax reduction retroactive to January 1, 2008. This includes the two per cent tax cut that took effect July 1 of this year as well as the planned three per cent reduction that was to take effect January 1, 2009. Taxpayers will see the retroactive benefit on their 2008 tax return. It will put an additional \$144 million in the pockets of British Columbians.

4. **School property tax rebate for industry:** 50 per cent of all school property taxes will be rebated to light and heavy industry to help some of B.C.'s oldest and largest employers, particularly in rural British Columbia. It will save industry about \$115 million over the next three years and is on top of the approximately \$24 million in annual benefits to heavy industry announced in the 2008 budget. This builds on the plan to have the lowest corporate income tax rate in Canada by 2011.
5. **Accelerated tax relief for small business:** Effective December 1, 2008 the small business income tax rate will be reduced to 2.5 per cent from the current 3.5 per cent. Small business income tax rates were already reduced from 4.5 per cent to 3.5 per cent on July 1, 2008 with a plan to reduce them to 2.5 per cent by 2011. This will accelerate that tax cut by two years, resulting in a 44 per cent tax cut for small business this year alone. The savings to small business will be \$146 million over three years.
6. **Double commission paid to business for PST and HRT collection:** The Province will double the commission it pays business for collecting the provincial sales tax and hotel room tax. That will provide more than 100,000 businesses with approximately \$60 million over three years and add up to \$1,200 to a business's bottom line.
7. **Accelerated public infrastructure:** The Province will accelerate public investments in capital infrastructure projects. Funding will focus on projects without a long lead time that will keep people employed in our construction sector.
8. **33 per cent reduction in ferry fares for December and January:** The Province will fund a 33 per cent reduction of ferry fares on all routes for December and January. This is on top of the upcoming 50 per cent reduction in the fuel surcharge on ferry fees that will come into effect November 4. In addition, ferry service levels for all routes, including the Sunshine Coast will be restored. This will require a one-time, \$20-million investment.
9. **Rein in avoidable government spending:** The Province will re-evaluate spending priorities and focus on scaling back unbudgeted increases.
10. **Recall the Legislature:** As a number of these measures require legislative approval, the Legislature will be recalled on November 20.

These measures account for an additional accumulation of \$485 million in tax relief and support for businesses, families and individuals over the next three years.

“These measures are as aggressive as our current fiscal outlook allows, without compromising our ability to balance the budget or cut previously planned funding lifts for critical government services such as health care and education,” said Premier Campbell “These measures will provide relief for families, workers and businesses by putting more money back into taxpayers’ pockets.”

Earlier in the day, Premier Campbell announced a series of initiatives to ensure the province is getting the best possible input and expert advice on ways to improve in competitiveness and productivity. They include:

- A new Economic Advisory Council composed of some of Canada's top CEOs, academics and economists.

- A “New North” Economic Summit will be organized for January in Prince George and will focus on the unique opportunities and challenges in that region.
- A two-day Economic Summit will be held in Vancouver in late January to look at ways to capitalize on economic opportunities.
- New measures will be taken to implement the Trade, Investment and Labour Mobility Agreement with Alberta. The agreement will be fully implemented by April 1, 2009 and create the second-largest economy in Canada.
- B.C. will work with other provinces and the federal government to eliminate regulatory duplication and reduce costs of federal-provincial overlap.

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