



Budget Consultation Paper 2014

Balanced Budgets

British Columbia has tabled a balanced budget, a first step toward a stronger economy and a debt-free future for B.C.

But ongoing challenges in the global economy, combined with a softer domestic economy this year, means government must continue the fiscal discipline that produced a balanced budget. We must control our spending – sustaining our commitment that we will not spend more money than we collect from taxpayers.

We want your creative ideas to improve how government delivers programs and services that you, your family and your community care about.

The budget consultation is your chance to share your priorities for Balanced Budget 2014.

Creating jobs future generations can depend on

By the year 2020, there will be one million job openings across B.C.—over 40 per cent will require people with trades and technical training. The BC Jobs Plan is a long-term plan to grow our economy in order to protect and create jobs for decades to come. LNG is an unprecedented opportunity to create a lasting legacy for future generations. Growth in LNG, mining, forestry and technology sectors will lead to tens of thousands of new jobs for British Columbians in the coming years, jobs that will support families and sustain a growing, innovative economy.

B.C.'s skilled workforce

Under the BC Jobs Plan, government is making significant investments in skills training to ensure British Columbians are first in line for the jobs of tomorrow. This includes investing \$500 million annually for labour market and training programs, targeted to meet regional and industry labour market needs. Government is also working to foster stronger relationships with industry employers, post-secondary institutions and within the K-12 system to allow more apprentices to enter and successfully complete apprenticeships.

The Knowledge Economy

The continued transformation of education is supported by a three-year investment of \$210 million in the Learning Improvement Fund. So far, the fund has hired 500 new teachers, placed 400 new teacher assistants, increased the hours of work of more than 7000 other teacher assistants affecting hundreds of students, invested in professional development, and more. Total block funding to school districts for K-12 education is currently \$4.7 billion annually.

B.C. taxpayers put a record \$1.9 billion into post-secondary education this year. B.C. undergraduate students at public post-secondary institutions pay

the fourth-lowest tuition in Canada, with increases capped at just 2 per cent annually. These tuition fees cover less than one-third of the cost of a post-secondary education: the rest comes from taxpayers.

B.C. is open for business

Keeping business taxes low is essential to a competitive tax environment that attracts investment, creates jobs, and moves B.C.'s economy forward. Our corporate income tax rates are among the lowest in the country, and combined with federal tax reductions, the general corporate income tax rate in B.C. is among the lowest of the G7 countries.

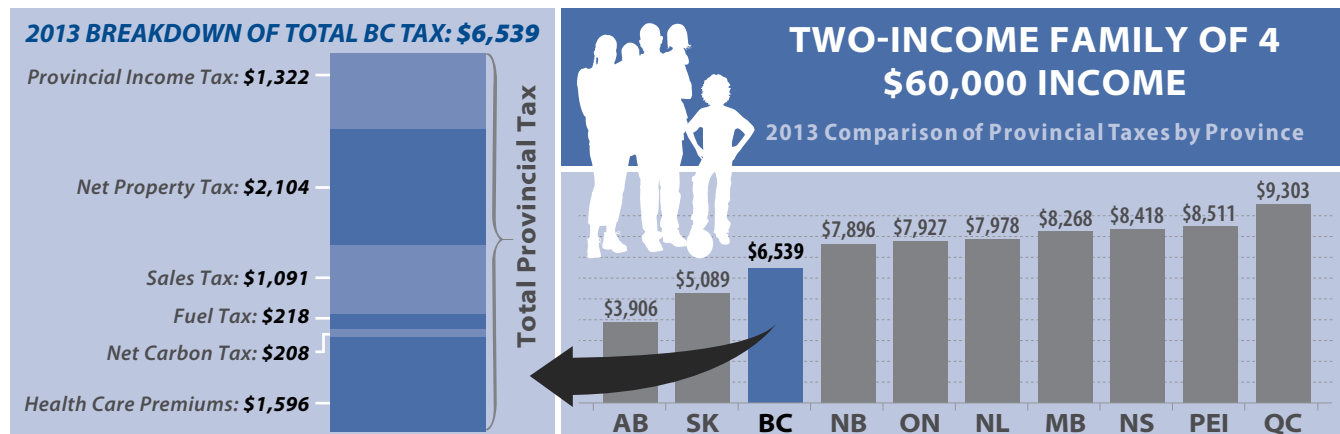
Health outcomes among the best

Health care spending has been targeted to deliver better health outcomes, giving us one of the best health care systems in the country. Savings and efficiencies in health spending will keep the growth of the Ministry of Health budget to an annual average of 2.5 per cent — but still add about \$2.4 billion in new funding over three years, for a total of \$17.4 billion in 2015–16. Out of every dollar government spends, 42 cents is devoted to health care. B.C. continues to achieve key health outcomes that lead the country while maintaining the second-lowest rate of health spending per capita among provinces.

Keeping taxes low

British Columbians generally have one of the lowest overall tax burdens in Canada when all taxes are considered, including income tax, consumption tax, health care premiums and payroll tax.

Since 2001, provincial personal income taxes for most taxpayers have been reduced by 37 per cent or more, and an additional 400,000 people no longer pay any B.C. income tax.



Questions:

1. Now that B.C. has returned to balanced budgets, government will aim to strike a balance between keeping costs affordable for families, providing new services, and reducing taxpayer-supported debt. If you could share one dollar across these priorities, how would you divide it up?

▶ Reducing taxes and costs for families.	_____¢
▶ Investing in new programs and services.	_____¢
▶ Faster debt reduction .	_____¢
▶ Public Sector Compensation.	_____¢
	<hr/> 100 ¢

2. Government will still need to make tough choices and control spending to keep the budget balanced. This means little new funding is available for new or expanded programs and services. Some programs and services may no longer serve their original purpose. Reducing or eliminating these costs may help make funding available for other more important programs.

- ▶ What are priority programs and services that government should continue or develop?
- ▶ What could government do differently to help reduce costs to government and taxpayers?
- ▶ What programs or services should government reduce or eliminate to help save taxpayers money, or free up funding for higher priority programs and services?

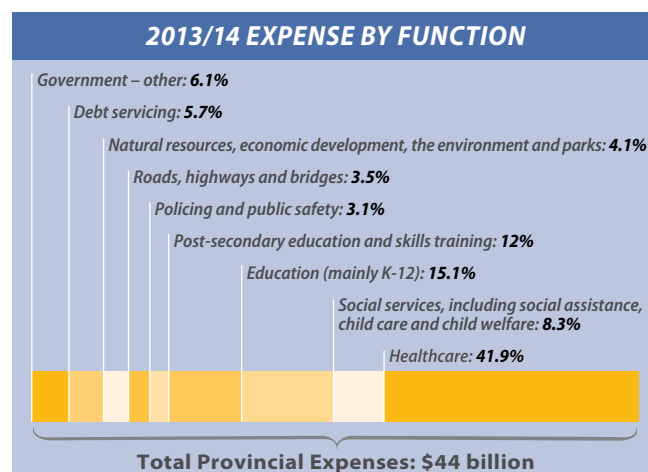
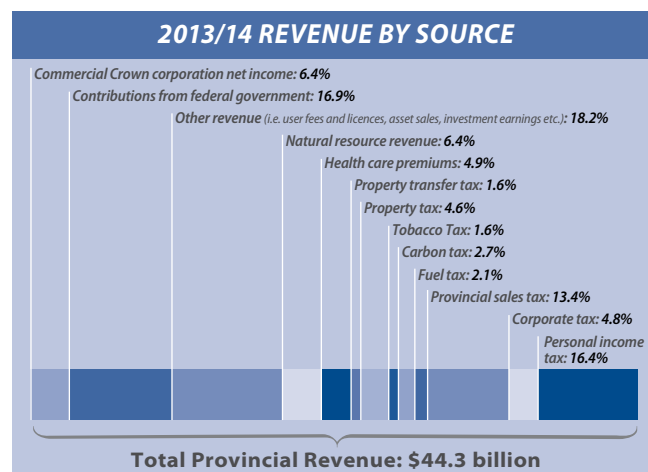
3. If you have one dollar in new funding to share across programs and services the government delivers, how would you divide it up?

▶ Healthcare	_____¢
▶ Social services, including social assistance, child care and child welfare	_____¢
▶ K-12 education	_____¢
▶ Post-secondary education and skills training	_____¢
▶ Policing and public safety	_____¢
▶ Roads, highways and bridges	_____¢
▶ Natural resources, economic development	_____¢
▶ Environmental protection and parks	_____¢
▶ Debt reduction	_____¢
▶ Tax reduction	_____¢
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4. Programs and services are largely funded by tax revenues, and government works to balance where the money comes from. How would you generate one new dollar of tax revenue from among the sources below?

▶ Personal income tax	_____¢
▶ Corporate tax	_____¢
▶ Fuel tax	_____¢
▶ Carbon tax	_____¢
▶ Property tax	_____¢
▶ Property transfer tax	_____¢
▶ Health care premiums	_____¢
▶ Provincial sales tax (PST)	_____¢
▶ Tobacco Tax	_____¢
▶ User fees and licenses	_____¢
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5. What measures could government take to increase government revenues, which could then be used to support your priorities?



Budget 2013 Fiscal Plan Update

(\$ millions)	2013/14	2014/15 *	2015/16 *
Revenue	44,308	44,817	46,263
Expense	(44,022)	(44,463)	(45,517)
Forecast allowance	(150)	(200)	(300)
Surplus	136	154	446
Taxpayer supported capital spending	3,764	3,557	3,365
Total taxpayer supported debt	42,529	44,770	46,500
Taxpayer-supported debt-to-GDP ratio	18.3%	18.5%	18.4%
Economic Forecast:			
Real GDP Growth	1.4%	2.2%	2.5%

* June Budget Update 2013

How do you submit your ideas?

The Select Standing Committee on Finance and Government Services holds public consultations around the province in September and October. You can provide your feedback by:

- Participating at one of the public consultations.
- Completing an online survey
- Making a written submission

Visit www.leg.bc.ca/budgetconsultations for locations and details.

PLEASE SEND YOUR SUBMISSION (INCLUDING CONTACT INFORMATION) BY WEDNESDAY, OCTOBER 16, 2013 TO:

Select Standing Committee on Finance
and Government Services
Room 224, Parliament Buildings
Victoria, British Columbia
V8V 1X4 Canada

Phone: 1-877-428-8337 (toll-free)

Phone: 250-356-2933 (collect)

Fax: 250-356-8172

Visit www.leg.bc.ca/budgetconsultations to submit your feedback and respond to the questionnaire.



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