

BUDGET SPEECH

Turning to the Future, Meeting the Challenge

Greener Future, Stronger Economy

Honourable Speaker.

I am pleased to introduce Balanced Budget 2008, a budget that asks:
What kind of legacy do we want to leave for future generations?

This year, from the Kootenays to the Queen Charlotte Islands; from the Peace River region to the Southwest coast... our people and communities are coming together to celebrate 150 years of growth and progress...

And... even more important... to plan the way forward; to build on our achievements and create a new legacy that future generations can look to with pride.

Much has changed since 1858. We have grown from a series of frontier outposts to one of the most livable, attractive places anywhere — with some of the richest cultural diversity.

What hasn't changed is the sense of opportunity in British Columbia. The same excitement, the same spirit of boundless possibility that drew people here in the 1800's is, today, alive and well — and continues to draw people here from around the world.

But today our province has reached a turning point.

How will history remember us?

How will our choices stand the test of time?

The same excitement, the same spirit of boundless possibility that drew people here in the 1800's is, today, alive and well — and continues to draw people here from around the world.

This budget supports and adds new momentum to the government's plan to reduce B.C.'s greenhouse gas emissions. It also includes a series of initiatives to keep our economy strong and growing.

And what are the best steps we can take today to build the kind of future we envision for our children and our grandchildren?

Those are the questions at the heart of this budget. It is a budget that confronts and completely overturns the outdated notion that you have to choose either a healthy environment or a strong economy. That is simply not the case. That either/or thinking belongs to the past.

How many times have we heard people talk about the importance of the environment — only to change their tune as soon as the economy faced challenges?

Our children, our young people are asking better of us. They are asking us to face directly the challenges of the future... not when it is convenient, but now.

And today, we are rising to meet those challenges.

This budget supports and adds new momentum to the government's plan to reduce B.C.'s greenhouse gas emissions. It also includes a series of initiatives to keep our economy strong and growing. And it makes new investments in key public priorities such as healthcare and education.

We will always work to sustain public services, and to keep our economy strong. But, make no mistake. We have begun to write a new chapter in British Columbia's history.

Action on the Environment

With this budget, we are introducing a major shift in the way we levy taxes.

Effective July 1st, we intend to put a price on carbon-emitting fuels in B.C. This carbon tax will be entirely revenue neutral, meaning every dollar raised will be returned to the people of B.C. in the form of lower taxes. Furthermore, that commitment will be enshrined in law. And we will provide additional support for lower-income British Columbians.

The carbon tax will start at a relatively low rate to give us all — businesses and individuals, time to adjust. As it rises, it will underline the fact that there is, indeed, a cost attached to generating greenhouse gases.

Leading economists and scientists agree: Seeing that cost, and making it real, will give us new incentives to change the habits that created global warming in the first place.

Higher costs for high-carbon choices will make cleaner options more attractive to consumers, businesses and industries alike. They will also make cleaner choices more commercially viable, helping to stimulate new innovations.

The carbon tax will apply to a wide range of fossil fuels — including gasoline, diesel, coal, propane, natural gas, and home heating fuel — making it among the broadest and most comprehensive taxes of its kind in the world.

It will start at a rate of \$10 per tonne of associated carbon, or carbon-equivalent, emissions. That works out to about 2.4 cents a litre at the gas pump and 2.8 cents a litre for diesel and home heating oil.

These initial rates are relatively low, and that is by design. It will give consumers, business, industry and the economy time to adapt to this new landscape. The rate per tonne will rise by \$5 a year for the next four years — reaching \$30 a tonne (or 7.2 cents per litre of gasoline) by 2012.

I want to repeat: this tax will be 100 per cent revenue neutral. We expect it to raise approximately \$1.8 billion over three years — so we are committing now to reduce taxes by the same amount.

First, by 2009, every taxpayer in this province will see their personal B.C. income tax rates reduced by five per cent on the first \$70,000 in earnings. Further reductions will come as the revenue from the carbon tax increases.

Added to our government's previous tax cuts, this is nothing short of remarkable.

It means a family of four with both parents working, earning a combined \$70,000, will now save \$2,000 a year compared to 2001. A young person working part-time, earning \$20,000 a year, will see a 75 per cent reduction compared to 2001. And an additional quarter of a million British Columbians now pay no provincial income tax.

By 2009, British Columbians will pay the lowest personal income tax in all of Canada for individuals earning up to \$111,000.

But it is not only individuals and families who will benefit. So will B.C.'s businesses. Today we are announcing further reductions in both our corporate and small business income tax rates.

Higher costs for high-carbon choices will make cleaner options more attractive to consumers, businesses and industries alike.

We expect the carbon tax to raise approximately \$1.8 billion over three years — so we are committing now to reduce taxes by the same amount.

B.C. is on track, by 2012, for a total combined corporate tax rate — the federal plus the B.C. rate — of 25 per cent... the lowest among the world's major industrialized economies, and 10 points lower than the average U.S. rate.

Effective July 1st, 2008, the general corporate income tax rate will be reduced from 12 per cent to 11 per cent and, over the next three years, we expect it to fall to 10 per cent — on par with the lowest corporate tax rates in the country, and a long way from the 16.5 per cent rate seen through most of the 1990's.

That puts B.C. on track, by 2012, for a total combined corporate tax rate — the federal plus the B.C. rate — of 25 per cent... the lowest among the world's major industrialized economies, and 10 points lower than the U.S. federal rate.

This meets a challenge set for us by the federal government. And we are happy to rise to this challenge. Because we agree that competitive taxes are crucial to a strong, diverse economy.

To that end, we are also reducing taxes for small businesses — the cornerstone of B.C.'s economy, and one of many areas that benefits greatly from the ingenuity of women. Women own and operate more than a third of our small businesses, helping to raise our small business growth rate to three times the national average. Small businesses now provide more than one million jobs in B.C., and contribute more than a quarter of our gross domestic product.

To help support continued growth, effective July 1st, we are reducing the small business tax rate to 3.5 per cent. And we expect it will fall to 2.5 per cent by 2011.

I say "we expect" because — as part of our commitment — we will review personal and business tax rates every year and provide a plan for keeping the carbon tax revenue neutral. We are introducing legislation to support specific rate reductions for 2008 and 2009. Future rate cuts will be confirmed as we update the revenue neutral plan through the annual budget process. One thing is certain: every dollar raised by the carbon tax will be returned to British Columbians in the form of tax reductions.

The final piece of our revenue-neutral package is support for lower income earners. Because — whenever we introduce a new program or policy — we're sensitive to the impact on people who are vulnerable.

Just as, in earlier budgets, we introduced supports for seniors, children and those in need... with this budget, we are introducing a new, income-tested Climate Action Credit.

It will provide an annual payment of \$100 per adult and \$30 per child — paid quarterly along with the federal Goods and Services Tax Credit.

Over the three-year term of our plan, we have budgeted at least \$395 million for this new credit, and \$1.45 billion for personal and business tax cuts. That adds up to just over \$1.8 billion — the same amount of revenue we expect to raise through the carbon tax.

Climate Action Dividend

So that's Part One: an entirely revenue neutral carbon tax that serves to make cleaner choices more attractive and, ultimately more commercially viable.

It will be phased in slowly. Still, this is a big change in policy. And, as with any new initiative, it is easier to adjust if we see the benefits first.

So, rather than ask the people of B.C. to wait until they file their 2008 tax form before they see the benefits of tax reductions, today we are announcing an upfront payment of \$100 to every woman, man and child in British Columbia.

This one-time Climate Action Dividend will be going out in June, a total benefit of \$440 million funded from the surplus for the year just ending. In other words, it is a dividend from the strong economy we've all worked so hard to build. The timing is important, too. It means a family of four will receive \$400 up front — before the new carbon tax takes effect July 1st.

Of course, there will be no strings attached, but we're hoping people will use these dollars in ways that reduce our carbon footprint.

Our goal is this: Tax carbon-emitting fuels to discourage their use, and give the money back to people, back to businesses, so they have control. They have the power to make their own choices about how the tax affects them.

For example, let's consider the impact on a family of four... with one parent working earning \$60,000. They heat their home with natural gas and the family car is a mini-van.

They will pay about \$45 in carbon tax in 2008 — less than the price of a tank of gasoline — rising to about \$113 in 2009.

But that is only if they choose not to change their habits.

If they reduce their driving by just 10 kilometres a week, they will save enough in fuel costs alone to completely offset the impact of the carbon tax in 2008. If they tune up their car, and keep their tires inflated to the proper levels, their additional fuel-cost savings could make up for most of their carbon tax in 2009 as well.

...today we are announcing an upfront payment of \$100 to every woman, man and child in British Columbia.

It means a family of four will receive \$400 up front — before the new carbon tax takes effect July 1st.

...we are investing more than \$1 billion over four years in a series of tax and investment incentives to help make greener choices easier, more accessible — and more affordable.

What about a senior couple with an income of \$30,000, heating their home with oil and driving occasionally? They would pay about \$38 in carbon tax this year — rising to \$95 in 2009. But, just like the family of four, they would have a range of options for reducing the impact on their household budget.

If they choose to weather strip their doors and windows, they could save enough on their home heating costs to offset the carbon tax completely in the first year. And if they turned their thermostat down by five degrees at bedtime, they would save enough to offset the cost of the carbon tax in 2009.

The point is — it's their choice. They can decide how, and how much, the tax affects them.

It's also worth noting that, in both these cases, the income tax reductions announced in this budget would more than make up for the cost of the carbon tax — so both families would come out ahead. If they made cleaner choices, they would see a larger net benefit.

And — let's not forget. With the Climate Action Dividend, everyone will have more money in their pockets right away... potentially injecting \$440 million into our economy.

Investing in Greener Choices

That brings us to Part Three. In addition to shifting taxes away from income, towards carbon... and providing a one-time payment to everyone in B.C. ... we are investing more than \$1 billion over four years in a series of programs and tax incentives to help make greener choices easier, more accessible — and more affordable.

On the transportation side:

- We are providing a sales tax reduction for all vehicles that qualify for Transport Canada's Eco-Auto Rebate Program. That program offers rebates of up to \$2,000. With this new PST reduction, drivers making greener choices could see additional savings — for a total of up to \$4,000.
- To help get older vehicles off the road, we are expanding the Scrap-It Program, which offers cash and other incentives for making cleaner choices.
- PST relief will be introduced for electric bicycles, scooters, and electric motorcycles.
- And relief will be provided for short-term passenger vehicle rentals. This addresses the co-op car rental issue brought forward in the fall.

With this budget, we are also providing \$30 million for the BC Green Ports Initiative, which will reduce emissions from commercial truck and ship traffic.

Another \$3 million will help reduce emissions from trucks... by using technology to assess their compliance with regulations while they're moving — instead of making every vehicle stop for inspection — and by providing plug-ins at key truck stops so big rigs don't have to idle their engines. We will also provide a PST exemption for aerodynamic devices that make commercial trucks more fuel-efficient.

As well, with this budget we are funding the initial phase of the \$14 billion transit plan announced last month — a plan designed to double transit ridership by 2020. These are all important changes, considering that transportation is the leading contributor to B.C.'s greenhouse gas emissions.

On the home energy side:

- \$60 million has been budgeted for energy audits and conservation retro-fit incentives. This money will help individuals and families assess where they can best invest to bring down their home energy costs.
- If you do decide to renovate your home, a tax exemption will be provided on insulation for hot water tanks, pipes and ductwork.
- Energy Star-rated fridges, freezers and washing machines will also be exempt from PST, complementing the rebate programs offered by utilities and, in some cases, local and regional governments.

To support the province's goal of achieving energy self-sufficiency:

- This budget sets aside \$20 million for remote communities that now depend on diesel generators to switch to cleaner, renewable power sources. This will benefit many First Nations communities.
- It provides a PST exemption on production machinery and equipment used by local governments for power production and cogeneration.
- And we are investing \$5 million to expand solar power initiatives.

These investments complement our 2007 BC Energy Plan — the cleanest, greenest of its kind in North America.

We are also investing \$3 million for our Energy Efficient Buildings Strategy, in keeping with the goal of meeting more of our new energy needs through conservation.

These investments complement our BC Energy Plan — the cleanest, greenest of its kind in North America.

For 2008, we are forecasting growth of 2.4 per cent — somewhat less than in recent years, but a rate that continues to exceed the growth predicted for Canada as a whole, and the United States.

Each of these initiatives brings us one step closer to the future we envision for our province — a future where we leverage our action on climate change in ways that support our quality of life and our economy with new innovations, new ideas and new technologies.

Action on the Economy

British Columbia is ready to lead in the fight against climate change. And the steps I've just outlined will put us out ahead of almost every other jurisdiction on the continent.

But we are not content to lead in just one area. We must develop the policies and support initiatives that will draw the talent and investment we need to become an internationally-recognized economic powerhouse.

As Finance Minister, I visit Eastern Canada and the United States talking about British Columbia, our economic record, our policies and the opportunities for growth. On my initial visits, much of the effort had to be spent differentiating British Columbia from Canada as a whole in terms of our economic environment.

However, last year, our story had become so well known to the international finance community, most of my time was spent discussing specific investment opportunities.

That is an enormous advance in terms of our record and reputation.

This is the moment that must be seized — today, and for our future.

Over the past year, British Columbia has withstood the pressures of a record-high Canadian dollar, a deteriorating U.S. housing market, and financial turmoil in that country which has led to growing concern and tightening credit around the world.

Despite these challenges, we estimate our economy grew by 3.0 per cent in 2007. We had the lowest unemployment rate in over 30 years, our construction sector was booming, retail did very well, and B.C. continued to draw people here to live and work, at a rate of more than 40,000 net new residents every year since 2005.

However, we are not completely insulated from the world around us. We expect B.C.'s economic growth to slow this year. For 2008, we are forecasting growth of 2.4 per cent — somewhat less than in recent years, but a rate that continues to exceed the growth predicted for Canada as a whole, and the United States.

Given the current international uncertainty, and its potential impact on revenues, it is more important than ever before that we maintain our practice of cautious budget forecasting:

- We start with prudent economic assumptions.
- We build in a forecast allowance of \$750 million.
- We have a one per cent spending contingency.
- We plan for a surplus, and
- We set aside an additional five per cent capital contingency.

This is the approach we used to balance the budget in the first place. It's how we achieved a triple-A credit rating and, at the same time, allowed us to make significant investments in programs and services for British Columbians since 2005: the First Nations New Relationship Trust of \$100 million, a Housing Endowment Fund of \$250 million, and more than \$400 million in additional supports for our children.

This approach will continue to allow us to deliver on people's priorities and — even with uncertainty on the world stage — continue to deliver balanced budgets.

We are also taking care to manage B.C.'s debt. Over the next three years, it will continue to decline in relation to the size of our economy.

But prudent assumptions and careful management are only part of the equation. At a time of heightened concern and challenges, it is important to make both broad and targeted investments to support further growth, innovation and diversification.

The income tax cuts made possible by the new carbon tax will save individuals and businesses more than \$1.8 billion over three years. The Climate Action Dividend will put another \$440 million in people's pockets. And both measures will support growth in the overall economy.

Today we are also announcing a series of targeted investments — starting with tax relief to help our pulp mills, sawmills, ports and mines stay competitive.

Over the next two years, we will reduce the provincial school tax rate on major industrial properties to the same rate paid by commercial businesses — saving B.C. industries \$24 million a year by 2009.

At a time of heightened concern and challenges, it is important to make both broad and targeted investments to stimulate growth, innovation and diversification.

Tax relief for industry and investments in new innovations are good steps forward for our province, for our future. But we must do more for the people and communities whose livelihood depends on our resources.

We are also supporting the development of new ideas and directions for our resource industries, so they can diversify and better support our people and communities. This includes:

- \$10 million to support innovation to reduce greenhouse gas emissions in the pulp and paper industry,
- \$12 million to further develop geoscience data to support resource exploration in pine beetle infested areas,
- \$19 million to enhance the carbon storage potential of our forests, including planting more trees; and
- \$25 million for our new bio-energy network, which will create new opportunities in forestry and agriculture, encourage new innovation, and expand the range of cleaner energy options available to British Columbians.

With this budget, we are also providing \$10 million over three years to support the production of biodiesel here in British Columbia, matching the incentives offered elsewhere. This new production incentive will complement existing consumer incentives that encourage the use of cleaner, renewable fuels.

Tax relief for industry and investments in new innovations are good steps forward for our province, for our future. But we must do more for the people and communities whose livelihood depends on our resources.

Too many British Columbians know first-hand the effects of low lumber prices, and low volume on businesses, on families. That is why the Premier and the Forests Minister have announced a Working Roundtable on Forestry. That is why we are pleased the federal government has offered support, in the years ahead, for those most affected by this difficult situation. We will work together... and we will find solutions.

At the same time, these pressures on our export and manufacturing industries demonstrate exactly why we, as a province, must not take our strong economy for granted; why we must seek ways to diversify and pull in the best talent and businesses the world has to offer.

Thanks to our policies of tax reduction and deregulation, we have one of the most competitive business environments in Canada. But we must do more. In two years' time, when we host the 2010 Olympic and Paralympic Winter Games, the eyes of the world will be upon us. And we have a once-in-a-lifetime opportunity to showcase and build on our strengths as a province.

Building on our Strengths

Our leadership in climate action is a strength. We are building on this by providing \$95 million to establish the new Pacific Institute for Climate Solutions.

This institute, based at the University of Victoria, will bring together leading scientists from UBC, SFU and UNBC along with experts from around the world, to meet one of the great challenges facing our generation.

With this budget, we are also providing \$50 million to Genome BC for research focused on the challenges of a changing world, including issues related to climate change.

A new Pacific Carbon Trust is also funded in this budget, as part of our commitment to a carbon-neutral public sector. The government will deposit \$25 for each tonne of travel-related carbon emissions that cannot be avoided in the public sector. By 2010, we will deposit \$25 for every tonne of carbon emissions generated by the public sector, period. And these dollars will fund carbon offset projects here in B.C., supporting the growth of a low-carbon economy.

Medical research is another major strength we have in British Columbia. We recently announced an endowment of \$30 million to the Terry Fox Research Centre to ensure it will be headquartered in B.C., Terry's home.

The centre will fund translational research to help in the fight against cancer, taking the findings from basic science through the necessary steps so that new protocols, new medicines can be delivered more quickly to patients here in B.C. Every year, scientists from around the world will gather in Vancouver to discuss leading-edge discoveries. They will come here because we are now the headquarters for this institute.

Building on our growing reputation as a centre of excellence in medical research, we are also providing grants of:

- \$25 million to the Brain Research Centre at UBC, which works to advance our knowledge of the brain and explore new treatments for illnesses and injuries affecting the brain;
- \$15 million to the Li Ka Shing Foundation for cancer research and care;
- \$10 million to advance musculo-skeletal research, in areas such as hip health and osteoporosis; and
- \$2 million to expand research on preventing and treating childhood cancers.

With this budget, we are also providing \$50 million to Genome BC for research focused on the challenges of a changing world, including issues related to climate change.

The industry is committed to establishing British Columbia as a world leader in environmentally responsible film, television and digital media production. And this government wants to ensure that the benefits extend right across the province.

These investments will not only offer new hope to many of our citizens. They will further strengthen our knowledge-based economy — a sector that holds increasing promise as we move to a low-carbon future.

Beyond climate action and medical research, British Columbia is also a leader in film and new media — and that is another strength we can build on.

We used to draw the movie business to our province because the Canadian dollar made us inexpensive. Now we draw productions from all over the world because we are good. Our people can compete with the best in the world, our infrastructure is state-of-the-art, and our post-secondary education in this field is exceptional.

This budget increases both the foreign and domestic production tax credit rates, to match recent changes in other provinces and maintain the competitive environment that has helped to build film and television into a billion-dollar business for our province.

The industry is committed to establishing British Columbia as a world leader in environmentally responsible film, television and digital media production. And this government wants to ensure that the benefits extend right across the province.

So today we are announcing another improvement: introducing a higher regional credit for productions made outside the Lower Mainland and South Vancouver Island. This will help make all of British Columbia a world-class destination for TV and film production.

Climate action. Medical research. Film and television. These are all areas where British Columbia currently excels. But if we are truly to diversify and strengthen our economy, to draw investments to B.C. from around the world, then we must also cultivate growth in areas where we have untapped potential.

Financial services is one. This sector provides highly-skilled, well-paying jobs — with minimal impact on our environment. However, some obstacles are holding us back from becoming a more important centre for international finance.

The first indisputable issue is the tax we levy on the capital assets of financial institutions operating in B.C. This tax does not exist in other countries and our major competitors, Alberta and Ontario, have either eliminated the tax or are phasing it out. Now the federal government has offered a financial incentive to provinces that remove the tax before 2011.

It is our intention to phase out the capital tax on financial institutions by 2010. At the same time, government will introduce a new minimum tax on financial institutions with capital over \$1 billion, to ensure they pay a minimum level of tax, whatever their profit or loss situation. This will ensure everyone pays their fair share while creating new opportunities for growth in B.C.'s banking, trust and credit union sectors.

The government is also strengthening support for our International Financial Centre, whose mandate is to help draw international business to British Columbia.

We will update our *International Financial Activity Act* to expand the types of patents eligible for preferential tax treatment to include power generation from sources such as wind, solar and tidal. This is yet another incentive as we move to a low-carbon economy. A number of other changes will be introduced to broaden and clarify the ways international businesses can benefit by investing in this province. This will assist in our efforts to attract international head office functions to our province.

With this budget, we are also building on another area with great potential — our status as the Gateway to the Asia Pacific. We are investing \$30 million to strengthen our links with Asian countries... through the expansion of targeted trade, investment and cultural programs.

In total, this budget provides \$407 million in tax reductions and \$428 million in new investments targeted to stimulating economic growth. It provides a further \$1 billion for climate action initiatives, many of which will also encourage growth in our economy. And that is on top of \$670 million worth of business tax cuts, made possible by the carbon tax.

Action on Public Services

So why do we, as a government, continue to focus our attention on the health of our economy? Because it is fundamental to the well-being of our citizens. A strong economy means jobs for our kids, and money in our pockets to look after our families.

Over 400,000 new jobs have been created in this province since December 2001. That's 400,000 more people who can pay the rent or mortgage, look after their kids, look after their families because they get a regular paycheque.

But a strong economy also means revenues to government so that we can concentrate on the shared priorities of British Columbians. Like healthcare.

In total, this budget provides \$407 million in tax reductions and \$428 million in new investments targeted to stimulating economic growth. It provides a further \$1 billion for climate action initiatives.

It is the decision of this government to devote two-thirds of all new spending over the next three years to healthcare. Nearly three billion additional dollars will be put into health budgets.

Few issues touch us all more closely than our health. The Conversation on Health brought to the fore British Columbians' concerns and ideas for sustaining and strengthening our healthcare system. Last week's Throne Speech was another step forward, setting out a new direction for B.C., one full of energy and hope for the future.

Budget 2008 supports that new direction with a major new commitment to funding. It is the decision of this government to devote two-thirds of all new spending over the next three years to healthcare. Nearly \$3 billion additional dollars will be put into health budgets. That is on top of more than \$2 billion worth of increases we've announced in previous budgets — for a total of \$5 billion in new health funding in the next three years.

A new \$300-million Transformation Fund will be set up in the Health Ministry to help drive change in our technology, procurement, information and service delivery systems.

A new Innovation and Integration fund of \$75 million over two years will also be available to introduce patient-focused funding models. It's time we put patients at the front of our funding instead at the end of the line as a cost item.

Budget 2008 also continues our commitment to put students first when it comes to education funding. As government, we value our education system, we are proud of our education system, and once again, with this budget, we will continue to increase the absolute dollars going into K-12. The number of dollars available per student will increase yet again, in each of the next three years, to the highest ever in British Columbia.

But, we all know: those children who start school ready to learn do the best. So we are increasing our investment in StrongStart Early Learning Centres. These centres reach out across economic and social boundaries to offer pre-schoolers the chance to reach their potential. This excellent program is currently offered through 84 elementary schools. An additional 116 centres will be funded in the coming year, with another 200 centres opening the following year — for a total of 400 StrongStart Centres in communities throughout B.C.

With this budget, we are also building on our earlier commitments to housing. Effective midnight tonight, we are making further improvements to the First Time Homebuyers' Program — raising the threshold from \$375,000 to \$425,000, and eliminating the previous financing rules and regulations.

Our successful Rental Assistance Program, which helps many low-income earners meet their housing costs, will be expanded to allow applications from families earning up to \$35,000. Another \$104 million will support our strategies to break the cycle of homelessness. And our aggressive initiative to buy and upgrade apartments to meet social housing needs will be supported with another \$23 million.

So many of the commitments in this budget — to climate change, the economy, healthcare, education, housing — reflect the comments heard during budget consultations. But another area also received broad interest and support: culture and the arts.

This is another strength we can build on in British Columbia.

As we prepare for the 2010 Olympic and Paralympic Winter Games, as we build our New Relationship with First Nations, as we celebrate 150 years of history... a cultural revival is taking place in every region of the province.

This budget provides \$105 million for arts and culture projects, including:

- \$9 million to restore and revitalize the Vancouver East Cultural Centre, and establish an endowment to assist with the centre's ongoing operating costs; and
- \$3 million to support a new Aboriginal Art Gallery and a World Women's History Museum.

We will also fund the planning for a new National Maritime Centre for the Pacific and the Arctic, to be located in North Vancouver.

With this budget, to honour our 150th birthday as a province, we are creating a new, \$150-million BC150 Cultural Fund. It will generate approximately \$8 million a year. The BC Arts Council, in its official role, will advise government on how this money can best be used to support initiatives in every community — from our smallest communities to our largest cities.

Conclusion

We have always said we can't do everything we want to, all at once.

Our plan has always been to move forward, step-by-step — focusing our energies and building on our progress, year-over-year.

The first budget in the current mandate enhanced support to our seniors.

Our successful Rental Assistance Program, which helps many low-income earners meet their housing costs, will be expanded to allow applications from families earning up to \$35,000.

Just as we look back today on the legacies of people like James Douglas, hundreds of years from now, historians will look back at this part of the province's life...

And we, as a people, have a choice about how they will remember us.

The next one invested in new and expanded services for children, including those with disabilities and special needs.

The third budget took steps to tackle the housing challenges that come with a growing economy.

And, with this budget, we start a whole new chapter in our history, with:

- groundbreaking action on climate change;
- hundreds of millions of dollars worth of tax cuts for businesses and individuals, made possible by the new carbon tax;
- new investments to strengthen and diversify our economy; and
- new funding for vital public priorities, including healthcare.

It is perhaps an understatement to say that we have come a long way since our founding in 1858. But, B.C. has often been at the forefront of change, introducing new ideas — from fuel cell technology to the hundred-mile diet — that have people worldwide re-thinking how they live. And now, B.C. is pioneering once again.

With this budget, we have set in motion the beginnings of a new way to think about our choices; to consider all their costs and consequences.

We are not waiting for others to lead. We are moving forward, consistent with the best advice of the most respected scientists — and many of the world's leading economic experts.

Let us not forget. Just as we look back today on the legacies of people like James Douglas, hundreds of years from now, historians will look back at this part of the province's life...

And we, as a people, have a choice about how they will remember us.

We can be the generation that had it all, and let it slip away.

Or we can seize the opportunity before us:

To be the generation of British Columbians who made the right decisions, who chose to take action; and who... by doing so... showed their respect for the Earth, for the atmosphere, for those who came before us, and for those who will follow in the decades to come.

Let's rise to the occasion. And let's work together to shape the next proud chapter in the history of British Columbia.