

# Budget 2000

## **BUDGET SPEECH**

**Delivered in the  
Legislative Assembly  
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by Honourable Paul Ramsey  
Minister of Finance  
and Corporate Relations**



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## TABLE OF CONTENTS

<b>A modern, balanced direction for the new government</b>	<b>1</b>
The new law: opening the books	2
Our fiscal record in 1999	3
Fiscal facts and forecasts for 2000/01	4
B.C.'s economic rebound in 1999	6
<b>A new, modern direction for the economy</b>	<b>7</b>
Targeted tax cuts to stimulate consumer spending	7
Tax cuts that respect the contribution of business	9
Building our innovation economy	9
Growing on the high-tech cutting edge	9
Our film and TV success story	10
Green economy: Getting it right with the world	11
Building on our key resources	11
The forestry turnaround	11
Rebuilding our fisheries	12
Diversifying our regional economies	12
Moving workers to jobs and goods to markets	13
Certainty through treaty negotiations	14
Quality of life: a competitive strength for B.C.	14
Opening more university and college doors	15
Smaller classes, more teachers, all schools on-line	16
Strengthening health care	17
Training and hiring new nurses	17
Improving continuing care	18
Working with B.C.'s doctors	18
Innovative, modern health care	19
The Medicare partnership	19
Building better health care	20
New support for working families	20
<b>Conclusion</b>	<b>21</b>

# ***Budget 2000***

## **A modern, balanced direction for the new government**

Mr. Speaker, Honourable Members: It is my pleasure to rise in this House today and present this budget for the year 2000-2001.

This is a budget that reflects a new, modern direction for the new government. It builds on these basic principles:

- It is open and transparent, and presents the complete picture.
- It says yes to tax cuts and no to megaprojects.
- It signals to business the new government's readiness to help them succeed.
- It invests in today's families — in health care and education.
- And it balances these priorities of British Columbians with the need to control the deficit.

British Columbians have told me they do not want reckless promises that are impossible to achieve. Instead, they want a balanced approach to maintain services, cut taxes and control the deficit.

Most British Columbians believe that moving in any of these areas in an extreme way with impossible promises will undermine the steady, stable progress they seek.

The new government has listened. This budget takes the balanced approach most British Columbians want.

It addresses the needs of today's families.

It recognizes that meeting the needs of people for tax cuts and a high quality of life also meets the needs of today's economy.

And it gives British Columbians the whole picture.

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**Earlier today, I introduced for First Reading a new law: the Budget Transparency and Accountability Act. It is a sweeping change in the way the government and this legislature deals with public finances.**

**The new law requires complete disclosure of all the important assumptions used in setting the budget forecasts.**

## **The new law: opening the books**

Earlier today, I introduced for First Reading a new law: the *Budget Transparency and Accountability Act*. It is a sweeping change in the way the government and this legislature deals with public finances. It will implement virtually all of the recommendations of the Enns Panel, which was established to review the Auditor-General's recommendations on the budget process.

This new law means big changes for budget-making in B.C. It sets the highest standard for budget openness in Canada.

We are not waiting for this Act to become law before taking action. Wherever possible, we have prepared this budget as if the *Budget Transparency and Accountability Act* was already in force.

The process of building the annual budget will start with an all-party committee of the Legislature. This committee will have the latest information from the Finance Minister on the province's economic and fiscal performance. It will then consult with British Columbians on the provincial budget, and make a public report on its consultations by December 31st of each year.

The new law sets a fixed budget deadline. This will ensure that the budget debate is conducted earlier and is completed prior to March 31st each year.

The new law requires complete disclosure of all the important assumptions used in setting the budget forecasts, including the advice of the Economic Forecast Council. They will be certified in writing by a senior public servant, the Secretary of the Treasury Board.

The new law requires the government's bottom line to include all ministries, Crown corporations and other government agencies. This new bottom line is called the summary accounts.

The new law opens the books on all major capital projects, fully disclosing their objectives, business case, performance targets and, each and every year, the current and anticipated costs to the taxpayer.

The new law holds the use of Special Warrants to a high standard of accountability and disclosure. However, the new government will

move away from the use of Special Warrants and make tabling of Supplementary Estimates the rule, not the exception.

These changes will assure citizens they can be confident about the completeness and transparency of the budget in British Columbia.

Mr. Speaker, the books are open. The numbers are sound. The process is public. Megaprojects have been reined in. That's the standard British Columbians expect. And that's the new hallmark of budget-making in B.C.

## **Our fiscal record in 1999**

In the fiscal year now ending, we have recorded four significant write-downs.

This is consistent with the new government's determination to present a complete financial picture and to get all our financial problems out into the open — including problems from decisions made in the 1980s.

In the case of BC Rail, we have written down BC Rail assets by \$617 million, primarily due to prices for Northeast coal being far lower than were projected in the early 1980s.

In the case of fast ferries, we have written them down by \$240 million. This will help put BC Ferries on a stronger financial footing.

In the case of the Vancouver Trade and Convention Centre project, we have written down \$70 million.

We have also written down \$41 million related to the Kemess mine, helping the new owners to re-launch this gold and copper mine.

As the Premier has advised me, "The buck stops here." We will not shy away from problems. We are dealing with them.

Moving to the issue of program expenditures, the combined spending of all ministries in 1999-2000 will be \$360 million above spending estimates.

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***We have also written down \$41 million related to the Kemess mine.***

***Economic growth in 1999 resulted in additional revenues of \$1 billion or 4.9 per cent over forecast.***

***The result is that the deficit on the summary account basis, which includes the results of Crown corporations, is projected to be \$1.15 billion for 1999-2000 — which is below the budget estimate of \$1.53 billion.***

This increase was a result of spending pressures in the following areas:

- health care, including wage settlements, the new B.C. Medical Association agreement, PharmaCare, long-term care beds, hospital equipment, home support services and Y2K readiness;
- early retirement enhancements for the public service, and early retirement incentives for teachers that will help bring a new generation of teachers into our schools and reduce class sizes;
- settlements with some of the social service sector's lowest-paid workers, many of whom are women, and care for disabled and elderly people in their homes and communities;
- bridge rehabilitation on Forest Service roads;
- and control of a bark beetle infestation threatening our forests.

Despite these spending pressures, better-than-predicted economic growth still enabled us to reduce last year's deficit.

Economic growth in 1999 resulted in additional revenues of \$1 billion or 4.9 per cent over forecast. This outstripped the 1.7 per cent increase in program spending over estimates.

As indicated in the 1999 budget, \$350 million of last year's Canadian Health and Social Transfer supplement from Ottawa has been drawn down. This leaves \$121 million to put toward health care and education costs in the new fiscal year.

The result is that the deficit on the summary account basis, which includes the results of Crown corporations, is projected to be \$1.15 billion for 1999-2000 — which is below the budget estimate of \$1.53 billion.

In addition, taxpayer-supported debt at the end of March 31st is projected at \$24.9 billion. This is \$1.3 billion less than forecast in the 1999 budget.

## **Fiscal facts and forecasts for 2000/01**

For the coming fiscal year, I have accepted the advice of outside economic forecasters and Ministry of Finance officials in predicting this year's economic growth rate. The 18 economists on the Economic Forecast Council produced an average prediction of 2.2 per cent growth in 2000. This is consistent with my ministry's forecast.

Therefore, I am projecting revenue growth of \$1.1 billion over last year's estimates — which works out to a modest increase of \$115 million over last year's revised forecast. I have also built \$300 million in prudence into my fiscal projections. This fiscal caution is rooted in our determination to get it right. The new government will not count on economic recovery to produce any extra dollars above forecast until the cash register rings.

In 2000-2001, overall program spending will increase by \$1.255 billion over last year's estimates — \$898 million more than actual spending last year.

Forty-four per cent of this increase, \$549 million, is devoted to health care.

The spending increase and tax cuts, combined with our increased allowance for prudence, means that the projected summary accounts deficit for 2000-2001 is \$1.278 billion.

This deficit is an improvement over the five-year fiscal plan outlined in the last budget. The target in that budget, restated in summary accounts terms, equals a \$1.44 billion deficit for this year.

At the centre of a new, modern direction for this government is a balanced approach to the choices facing us today: the need to maintain vital public services, the need to cut taxes to fuel our economic momentum, and the need to control the deficit.

Our objective in this budget is to maintain these balances and control the deficit. Moving in an extreme or reckless way in any one of these areas would undermine the steady, stable progress British Columbians expect. To cut the deficit this year would threaten health and education, and slow our economic comeback by weakening the combined effect of the federal and B.C. tax cuts.

We have chosen a moderate course that balances the priorities of British Columbians. It is the right course to protect our quality of life — and the right course to maintain our economic momentum.

The total debt at the end of 2000-2001 is forecast to be \$36.5 billion. This includes the debt of commercial Crown corporations, which service their debts from their own revenues.

The taxpayer-supported debt at the end of the coming fiscal year is forecast to be \$27.9 billion.

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That will leave the total taxpayer-supported debt at 23.5 per cent of GDP. We expect this will remain the third-lowest debt-to-GDP ratio of any province in Canada. Less than nine cents of every revenue dollar will go to interest payments on the debt — one of the lowest in the country.

## **B.C.'s economic rebound in 1999**

In 1999, the economy grew by 1.4 per cent — ahead of projections — and gained strength as the year went on.

The recovery is now here, and it is gathering momentum.

The engine of this recovery in 1999 was exports. They rose by 10.2 per cent.

Forestry has done well, with lumber production rising by 5.3 per cent, and pulp and paper production up 12.8 per cent. The sector is now reporting a significant turnaround from losses in 1998 to rising profits last year.

Weak demand for minerals is still holding the mining sector back; copper and coal production dropped substantially last year.

However, high technology, film, tourism and the oil and gas sector performed especially well last year.

While our growth is not yet regionally balanced, local economies are continuing to diversify into such areas as high technology, food processing and value-added manufacturing.

Although there are initial signs of recovery in consumer confidence, consumer demand is still lagging.

The B.C. economy created more than 36,000 new, mostly full-time jobs last year. Our unemployment rate is declining. Statistics Canada pegged B.C.'s unemployment rate last month at seven per cent — its lowest level in nearly 20 years.

B.C.'s economy is now heading in the right direction, and will grow by 2.2 per cent this year. Our markets are building again, commodity prices are strong, and our entrepreneurs and workforce are well

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***B.C.'s economy will grow by 2.2 per cent this year.***



positioned in global markets. Our goal is to maintain and strengthen this comeback by stimulating consumer spending.

## **A new, modern direction for the economy**

This budget takes a new, modern direction to fuel our economic recovery in the short run, and to further strengthen our competitive position in the long run.

This budget supports this objective by cutting taxes, building an innovation economy based on the strengths of our land and our people, and investing in a healthy, educated and productive workforce.

In this sense, what is good for the middle class is good for the economy. What is good for the worker is good for the economy.

## **Targeted tax cuts to stimulate consumer spending**

We are taking a new approach. We believe the way to generate economic growth today is not through megaprojects, but with tax cuts focused on middle-class and low-income British Columbians.

Put dollars back in the pockets of working people, and those dollars go to work. Spent in the community on their homes, their families, or themselves, those dollars help to put more people to work and keep the economy growing.

That's why we are working with Ottawa to stimulate consumer spending through a two-year program of targeted tax cuts.

British Columbia taxes will fall by \$175 million as a result of the recent federal personal income tax cuts. We are delivering those tax cuts to British Columbians in full.

In addition, B.C. is cutting \$50 million more from taxes this fiscal year, and another \$70 million next year. Ninety per cent of these additional cuts will go to middle-class and low-income B.C. families.

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***We are delivering the \$175 million federal personal income tax cut to British Columbians in full.***

***At the end of this two-year tax cut, a single-income, middle-class family making \$60,000 a year will see their provincial tax bill drop by nine per cent.***

***One hundred thousand low-income British Columbians will have a 100 per cent tax cut.***

***With our tax cuts, nine out of every ten British Columbians will pay under 12 per cent in provincial income tax.***

This means a total provincial personal income tax reduction of \$225 million this year, and \$354 million next year.

All told, over the next two years, B.C. will put more than half a billion dollars back into the pockets of British Columbians in the form of provincial income tax cuts.

B.C.'s tax cut makes the combined federal-B.C. tax cut fairer and more effective than the federal plan alone because our cut is even more focused on middle-class and low-income British Columbians.

At the end of this two-year tax cut, a single-income, middle-class family making \$60,000 a year will see their provincial tax bill drop by nine per cent.

A single-income family earning \$45,000 will have a 9.9 per cent tax cut.

And 100,000 low-income British Columbians will have a 100 per cent tax cut. They will be freed from paying any provincial income taxes at all.

We are able to do this because we are changing to a made-in-B.C. tax policy, where our tax is calculated on income and not on federal tax. This change allows us to shape this and all future provincial tax cuts.

Along with this change comes a new tax bracket structure. As of 2001, the wealthiest ten per cent of taxpayers will pay a maximum provincial income tax rate of 16.7 to 19.7 per cent on income over \$60,670.

But with our tax cuts, nine out of every ten British Columbians — the vast majority — will pay under 12 per cent in provincial income tax.

As well, as of now, the personal income tax structure in B.C. is indexed to inflation, protecting all taxpayers from bracket creep.

This tax cut is realistic, and it is moving in the right direction: putting money where it belongs, and where it will do the most good — in local economies.

## **Tax cuts that respect the contribution of business**

Tax cuts for business must foster innovation and reward entrepreneurship. Like tax cuts for individuals and families, they must be realistic, balanced and sustainable.

This budget matches new personal tax cuts with two new business tax cuts.

These cuts may be modest, but they will signal to all players in our economy that the new government respects and values their contributions.

Effective July 1st, we are reducing the small business tax rate, cutting it from 5.5 per cent to 4.75 per cent. That's the lowest rate in Canada.

Effective April 1st, we are initiating a new investment tax credit of three per cent. This new tax credit will reduce the cost of new manufacturing and processing assets, and will help B.C. businesses meet the demands of a changing economy.

In addition, as a result of changes announced earlier and taking effect on January 1, 2001, 90 per cent of B.C. businesses will pay no Corporation Capital Tax.

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## **Building our innovation economy**

Tax cuts will stimulate our economy in the short run. We must also build on our economic strengths, to ensure long-term success in the innovation economy.

In part, that means looking to those sectors that are poised for growth and the creation of new opportunities.

### **GROWING ON THE HIGH-TECH CUTTING EDGE**

Only two years ago, the market value of the largest 20 publicly-traded high-tech companies in B.C. was \$6 billion. As of the end of February, that figure was \$74 billion.

With success stories like PMC-Sierra, Creo and McDonald-Dettweiler, B.C. is making cutting-edge contributions to the global

***We are joining the federal government in allowing British Columbians to defer income tax on benefits from stock options and reduce the taxation of capital gains. This measure will be worth \$33 million in B.C. income tax.***

***We will increase our commitment to the six-year B.C. Knowledge Development Fund by \$117 million over the term.***

***Last year, there was more than \$1 billion in film and TV production in British Columbia — up from \$808 million the year before.***

technological revolution. We will continue working with this sector, encouraging it to grow at home and marketing it abroad.

We are entering the second year of our High-Technology Research and Development Tax Credit. Last year, it provided \$10 million to keep a growing number of B.C. firms at the forefront of high-tech. This year, that figure is forecast to rise to \$28 million.

We are also joining the federal government in allowing British Columbians to defer income tax on benefits from stock options and reduce the taxation of capital gains. This measure will be worth \$33 million in B.C. income tax, and allow employees to share more fully in the success of the businesses that employ them. This initiative will help attract and retain even more of the highly mobile high-tech employees, sought throughout Canada and North America.

Our new government will invest directly in research partnerships in five strategic high-tech areas: new media, such as DVD-ROMs and the Web; fuel cell and clean-energy technologies; information technology; biotechnology; and aerospace.

Our universities are vital incubators for innovative technologies. We are now in the third year of our six-year B.C. Knowledge Development Fund. This fund invests in capital infrastructure for research at B.C.'s post-secondary institutions, teaching hospitals and non-profit agencies. We will increase our commitment over the term of this fund by \$117 million.

We will build on the success of the B.C. Film Commission, by inviting the private sector into a partnership to form a new High Tech Commission to promote B.C.'s high-tech sector at home and abroad.

## **OUR FILM AND TV SUCCESS STORY**

The success of film and TV production in B.C. over the past decade is unprecedented.

Last year, there was more than \$1 billion in film and TV production in British Columbia — up from \$808 million the year before. Our package of tax incentives for the film industry is working, and will continue in this budget.

The film industry is now also growing outside the Lower Mainland. This budget provides our first-ever financial support for regional film offices in key locations across the province.

## **GREEN ECONOMY: GETTING IT RIGHT WITH THE WORLD**

B.C.'s green economy is an increasingly important strategic niche in our innovation economy. Green enterprises in B.C. are developing new environmental technologies, and competing in this emerging global market.

The new government is investing \$5 million to support green technology research and demonstration projects for made-in-B.C. inventions.

We are also funding a range of eco-tourism projects — expanding the number of gateway communities, implementing best practices guidelines and finding new tourism potential throughout the province.

As part of our green economy initiative, the new government will consult on practical ways our tax system can encourage businesses and individuals to shift from environmentally damaging to environmentally friendly practices. We will introduce a pilot project this year, to encourage alternative methods of disposing of wood waste.

## **Building on our key resources**

A modern economic direction also focuses on new initiatives and innovations in our resource industries, which remain the backbone of B.C.'s economy.

### **THE FORESTRY TURNAROUND**

Forestry accounts for one-half of B.C.'s exports. The past few years have been difficult for communities that rely on this resource. But a turnaround is under way — and this budget encourages that recovery.

We are continuing the reduced stumpage rates, proceeding with Results-Based Code Pilot Projects, innovating with flexible

***The new government is investing \$5 million to support green technology research and demonstration projects for made-in-B.C. inventions.***

***We are continuing the reduced stumpage rates, proceeding with Results-Based Code Pilot Projects, innovating with flexible regulations, and providing for the protection and renewal of our forest ecosystems.***

***We will support pilot projects in new forms of community tenure, that will give local communities more control over our forest resource.***

***We will provide \$7.5 million to Fisheries Renewal BC in each of the next three years to invest in renewing our fish stocks.***

regulations, and providing for the protection and renewal of our forest ecosystems.

Certification initiatives with scientists, industry and environmentalists will help retain and expand our markets that increasingly value our forest products both for the quality of the wood, and for our high environmental standards.

We will support pilot projects in new forms of community tenure, that will give local communities more control over our forest resource and the benefits that flow from it.

Forest Renewal BC will continue to invest in our forest communities and the workers who rely on the forest for their livelihoods.

## **REBUILDING OUR FISHERIES**

Our coastal fishery communities have also faced difficulties in recent years, with declining salmon stocks.

Our challenge is to rebuild these stocks, and diversify our fisheries.

We will provide \$7.5 million to Fisheries Renewal BC in each of the next three years to invest in renewing our fish stocks.

We are expanding shellfish aquaculture tenures along our coast, increasing opportunities in this new and promising field.

We are also implementing our new aquaculture policy, which balances growth and diversification with protection for our coastal ecosystems.

We are also investing \$1 million to further develop our freshwater fishery, and diversify our seafood and shellfish sectors.

## **DIVERSIFYING OUR REGIONAL ECONOMIES**

B.C.'s resource communities are coping with change by finding innovative ways of diversifying their local economies. Our new government is working with them to support and sustain their efforts.

A remarkable network of local community-based organizations is now established in B.C.'s resource communities. Just like the

Columbia Basin Trust, these community groups have become effective advocates for and builders of their regional economies.

As resource communities diversify, their strength is reflected in the resurgence of regional economic sectors. Here are some examples:

- The oil and gas sector has seen the most investment growth of any resource industry. This budget will help sustain this momentum — by investing over \$100 million over five years in projects to improve the Northeast’s aging resource roads.
- This budget provides \$10 million to help producers in agricultural communities meet the highest environmental standards while expanding the market for B.C.’s produce and food products.
- This year, the B.C. Wine Institute will work with the wine industry to complete a strategy to ensure this sector’s continued growth.
- We will continue to work to keep tourism’s growth on track. One key initiative has been speeding up approvals by the British Columbia Assets and Land Corporation for new tenures, which has been particularly helpful in developing ski tourism.

There are opportunities and strengths across rural British Columbia. The people of our rural communities want to make the most of those opportunities. We are moving to help them do that, with the creation of a new Rural Development Office.

Under the leadership of the Minister of Agriculture, the Rural Development Office will serve two key functions.

It will provide a strong voice for rural priorities at the highest levels of government. And it will provide one-stop shopping for rural British Columbians seeking to create new economic opportunities in their communities.

## **MOVING WORKERS TO JOBS AND GOODS TO MARKETS**

We will continue our investments in roadways throughout B.C., ensuring that people and goods can move quickly and inexpensively. B.C. competes in an economy where the race truly does go to the swift — and that puts a premium on transportation.

This year will see B.C. continue construction of the Vancouver Island Highway north to Courtenay, continue building the Nisga’a Highway

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***This budget provides \$10 million to help producers in agricultural communities meet the highest environmental standards while expanding the market for B.C.’s produce and food products.***

***This year will see B.C. continue construction of the Vancouver Island Highway, the Nisga'a Highway in the Nass Valley, and continue improving the Trans-Canada Highway from Cache Creek to the Rockies.***

***This budget sets aside \$5 million, which will be enhanced with Crown land and resources, for the express purpose of reaching agreement on interim measures at the treaty table.***

in the Nass Valley, and continue double-laning and improving service along the Trans-Canada Highway from Cache Creek to the Rockies.

We will continue upgrading the Lions Gate Bridge in Vancouver, and start work on the Sea Island Airport Connector.

And projects like the John Hart Bridge in Prince George, the Kootenay Lake Ferry in Balfour and the Port Mann Bridge widening in the Lower Mainland will go a long way to enhancing the long-term economic strength of our communities.

As I have noted above, we have put B.C. Ferries — our crucial marine highway — on a stable financial footing.

## **CERTAINTY THROUGH TREATY NEGOTIATIONS**

A critical part of our strategy to sustain our economic progress, and ensure its benefits are equally shared across our province, is to negotiate modern treaties, bringing greater economic stability and opportunity throughout B.C.

This budget sets aside \$5 million, which will be enhanced with Crown land and resources, for the express purpose of reaching agreement on interim measures at the treaty table. These agreements will provide greater economic opportunities for aboriginal communities in the short term. And they will foster good will on all sides, helping to bring the larger negotiations to a more timely conclusion.

## **Quality of life: A competitive strength for B.C.**

A healthy, well-educated workforce living in a healthy and clean environment is a significant strategic advantage in the global economy.

Our government provides vital services, first and foremost, because today's families need them. But in providing those services, we also invest in the healthy, well-educated and productive workforce we need to succeed in the modern economy. That is one of the soundest investments a government can make.



This budget focuses those investments in three key areas: improving education, strengthening health care, and offering new childcare support for working families.

## **OPENING MORE UNIVERSITY AND COLLEGE DOORS**

Our investments in higher education put resources directly into skills and knowledge — the keys to opportunity in today's economy.

To fully realize these opportunities, higher learning must be both high in quality and accessible to all. In B.C., we pursue both goals. B.C.'s universities have consistently finished at or near the top of their class in national rankings.

For the past four years, British Columbia has frozen tuition fees. We are proud that our province has gone from having the second-highest university tuition fees in Canada at the beginning of the 1990s to having the second-lowest university tuition fees in the country today.

To keep the doors of our universities and colleges open to all, this budget continues B.C.'s tuition freeze for a fifth straight year.

The freeze has helped enrolment grow faster in B.C. than anywhere else in Canada. Enrolment is growing throughout the province, reflecting our commitment to provide quality education and opportunities in all our regions.

As of last year, full-time university enrolment was up 18.4 per cent over 1992 — a growth rate nearly ten times the national average.

There are students graduating from B.C. institutions who have never seen a tuition increase during the course of their studies . . . and that is something to celebrate.

We can also celebrate the fact that students in B.C. are graduating ready to succeed, not overwhelmed by debt. Due to the expansion of B.C.'s student grant system, combined with the tuition freeze, B.C. students are graduating with some of the lowest debt loads in the country.

But a tuition freeze alone will not guarantee access, if our post-secondary institutions can't afford to offer it.

This budget includes an \$85-million increase for B.C.'s post-secondary institutions, to increase core funding, help with the tuition freeze and pay for new courses.

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This budget also invests \$133 million to build and modernize B.C.'s colleges, universities and institutes.

For many young British Columbians, apprenticeships and training offer a direct link between education and a well-paying job in skilled trades and strategic sectors like film production.

I'm pleased to say that this budget expands our commitment to apprenticeships and industry training programs, funding 300 new spaces.

This budget also more than doubles the number of new Career Technical Centres, where students can finish high school, gain hands-on experience in a trade, and get credit for the first-year of a post-secondary program — all at the same time.

This budget also invests \$1 million to create 1,000 new co-op spaces in high technology for university and college students launching their careers.

### **SMALLER CLASSES, MORE TEACHERS, ALL SCHOOLS ON-LINE**

Post-secondary education only succeeds if students receive a sound learning foundation in the early years. This budget continues our plan to improve the quality of education in B.C.'s public schools, with smaller class sizes in the critical early years, more teaching time and fewer portables.

Last year, that plan saw Kindergarten class sizes reduced to 20 children, and classes in Grades One, Two and Three reduced to 23.

This year, the reduction in class sizes continues. Class size will drop to 22 students for Grades One through Three. And 300 new teachers will enter B.C. schools.

By July of this year, every single public school in this province will be wired to the Internet through the Provincial Learning Network. And every student will have access to the World Wide Web of information and ideas.

***Class size will drop to 22 students for Grades One through Three. And 300 new teachers will enter B.C. schools.***

We believe our kids deserve the best learning environment possible. Schools will receive \$445 million towards the construction of over 100 new schools, additions and expansions, and to replace 387 portables with new classrooms.

By the spring of 2001, we will have reduced the number of portables in British Columbia to fewer than 1,900, from 3,091 in 1998.

The quality of education we offer our children and our youth is not just an investment in our future — it's the surest sign of our faith in that future.

## **STRENGTHENING HEALTH CARE**

Our universal health care system is the bedrock of family life in Canada and in B.C., health care is the top priority of today's families.

We have raised health spending in every budget since we were elected. It has risen by \$2.9 billion since 1991. Yet the system remains under serious stress. It's clear that funding alone isn't the answer.

We are moving ahead in two critical areas to strengthen health care.

The first is to take pressure off hospitals — the heart of our system. And the second is to work together with our health care partners to meet patients' needs more effectively, because money alone is not enough.

### ***Training and Hiring New Nurses***

This budget targets \$24.8 million to hire and educate new nurses, and an additional \$5 million to hire new licensed practical nurses.

This budget also continues to fund the nurses' collective agreement, which sets out the most competitive nursing compensation in Canada — a key component of our strategy for attracting and retaining nurses.

We will provide health authorities with the funds to hire up to 600 nurses this fiscal year. In addition, we will establish 400 new spaces in nursing programs at B.C.'s colleges and universities . . . so that we can graduate the next generation of caregivers.

***Schools will receive \$445 million towards the construction of over 100 new schools, additions and expansions, and to replace 387 portables with new classrooms.***

***This budget targets \$24.8 million to hire and educate new nurses, and an additional \$5 million to hire new licensed practical nurses.***

This is where the need is most urgent — on the front lines of health care. New nurses will improve patient care for all British Columbians, and help ease the burden on their co-workers.

### ***Improving Continuing Care***

There is a second pressure point: continuing care.

Our objective is to ensure that patients who need chronic care get the appropriate treatment in the right setting. This eases the pressure on hospitals, by freeing up acute-care beds.

It comes down to the right care, at the right time, in the right place.

We announced an additional \$6.5 million in December for continuing care. This budget fully funds that amount in the new fiscal year, for a total of \$26 million.

In addition, this budget includes a new investment of \$8.4 million to open new continuing care beds and provide care enhancements, for a total increase of \$34.4 million for continuing care services.

These investments will ensure that elderly and infirm patients have the independence and dignity they deserve, in the proper care setting.

### ***Working with B.C.'s Doctors***

Two weeks ago, we took an important step to improve health care in B.C. The Premier signed a new agreement with the B.C. Medical Association, ending service disruptions, expanding necessary medical services, and building a more co-operative relationship between doctors and government.

Conflict between the BCMA and the government hasn't improved patient care for British Columbians. We believe working together will.

Under this agreement, the 2000-2001 budget will invest nearly \$2 billion in doctors' services.

This agreement will provide a much-needed measure of certainty in the hospital system. It will also make it easier for both doctors and

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health authorities to innovate. For example, it offers new flexibility for clinic-based primary care, with salaried doctors.

Doctor shortages have been part of the reality of rural living for too long. And we are addressing these shortages by providing funding to attract and retain physicians in rural British Columbia.

### ***Innovative, Modern Health Care***

As I said earlier, money alone is not enough to sustain our public health care system for our children and grandchildren.

We need to innovate, reducing costs by preventing illness, and finding new ways to take pressure off hospitals.

This spring, the new government will bring together the leaders in B.C.'s health care system. We will work to map out how care providers, administrators and other experts can provide new ideas for delivering better health care for British Columbians.

### ***The Medicare Partnership***

To make health care work in the long term, we need all our partners at the table — and that includes the federal government.

Ottawa now funds only 15 cents of every health care dollar. No province, including B.C., can hold up 85 per cent of the sky and sustain universal health care over the long haul — not in an era of a growing and aging population.

We will roll up our sleeves and work with other provinces and the federal government to protect and improve universal health care in B.C. and across Canada.

Canadians are being asked to make a choice. Do we devote new resources to our public system, whose primary focus is medical need, or do we devote those resources instead to a privatized system driven by profit?

Our commitment to universal public health care in B.C. is resolute. This budget reaffirms our fundamental position.

Today's families deserve to know that the care they need will be there when they need it . . . not just when they're able to afford it.

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***This budget invests \$309 million in the coming year to build better health care facilities for British Columbians.***

***This year, we will invest \$14 million in before- and after-school childcare.***

***This budget also includes \$8 million to reduce waiting lists for health services for children, including those with special needs.***

We cannot, must not, and will not accept American-style, for-profit health care in British Columbia.

### ***Building Better Health Care***

This budget invests \$309 million in the coming year to build better health care facilities for British Columbians.

This year will see the completion of such projects as the replacement tower at Surrey Memorial Hospital, and the Vancouver Island Cancer Clinic in Victoria.

### **NEW SUPPORT FOR WORKING FAMILIES**

Today's families, in all their many forms, face new pressures, and government should be there for them. Not to solve every problem, but to lend a hand with the big ones.

This year, we will invest \$14 million in before- and after-school childcare.

This new program will begin on January 1st. Future steps will be taken as we can afford them. There are no one-size-fits-all solutions to the needs of working parents, and our childcare programs will ensure they have the choices they need to care for their kids.

It's a modest start, but it's an important step in the right direction — helping parents, especially women, meet their family responsibilities and participate fully in the economic opportunities B.C. offers.

Many B.C. families face the difficult challenge of raising a child who has special needs. We want to do what we can to help these families meet that challenge.

This budget also includes \$8 million to reduce waiting lists for health services for children, including those with special needs. These funds will also support a pilot project in early intervention for all children — so needs can be identified and addressed as soon as possible in a child's life.

Frontline workers in community services are some of the lowest-paid workers in B.C., most of them women. They do tremendous

work for little recognition. They must be fairly compensated if we are to retain their skills and dedication. This budget includes \$149 million to increase their wages and benefits.

The percentage of adults on income assistance has dropped by more than one-third since 1995. This budget provides for a modest increase in income assistance rates, and incentives to return to work by letting people keep more of what they earn.

These measures will help more British Columbians move from welfare to work — and begin to make the most of B.C.'s economic opportunities.

## Conclusion

This is the budget for 2000-2001 — reflecting a new, modern direction for the new government.

It is open and transparent, making its assumptions clear, presenting the whole picture, good and bad.

It shows prudence in setting and controlling the deficit.

It rejects megaprojects. It chooses instead to maintain our economic momentum and strengthen our competitive position with tax cuts for low- and middle-income earners, for small businesses and for large enterprises.

It promotes the innovation economy, and invests in education and opportunities for our young people.

It promotes B.C.'s most important strengths — by helping to sustain a healthy, well-educated, productive workforce and a healthy, clean environment.

This budget takes the balanced approach most British Columbians want.

It addresses the needs of today's families. It recognizes that meeting the needs of people for tax cuts, quality education and decent health care also meets the needs of today's economy.

Mr. Speaker, it's my pleasure, on behalf of the government, to table this budget — a modern approach for our new government.

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