



**Good government is about listening to the people and demonstrating leadership. Budget '95 responds to the public's expectations by balancing the budget, controlling debt, and providing affordable investments to keep B.C. growing.**

— **Honourable Elizabeth Cull**  
**Minister of Finance and Corporate Relations**

## HIGHLIGHTS

### **Budget Surplus for 1995/96**

- Deficit eliminated one year ahead of schedule — without raising taxes.
- Budget surplus of \$114 million in 1995/96.
- Spending limited to a 2.9% increase, to \$20.2 billion.
- After adjusting for population increases and inflation, spending actually falls 2.3% for each British Columbian.
- The 1994/95 deficit was \$370 million, well below the target of \$898 million.
- 1994/95 spending was on budget at \$19.6 billion.
- Revenues totalled \$19.2 billion — \$524 million higher than projected, thanks to B.C.'s strong economy.
- Borrowing was \$1 billion less than projected in 1994/95.
- Government's financial reporting is clearer and more comprehensive, as recommended by the auditor general, with use of the summary financial statements.

### **Comprehensive Debt Management Plan**

- Ensures taxpayer-supported debt, relative to B.C.'s economy, will be cut in half over 20 years.
- Direct debt reduced \$414 million this year, and will be paid off in 20 years.
- Debt costs are capped at 8.5 cents for every dollar of government revenue: the lowest cost in the country.
- Debt management plan will keep B.C. with the highest credit rating and lowest debt service costs in the country.

### **Three-Year Tax Freeze Continues**

- Taxes frozen for two more years. No increases to Medical Services Plan premiums, or to income, sales, and other consumer tax rates.
- Full home owner grant extended so that 95% of British Columbians continue to receive the grant.
- B.C. continues to have second-lowest total direct taxes and sales tax rate in Canada.

### **Cutting Waste and Making Government More Affordable**

- More than \$100 million in savings by cutting waste and streamlining government.
- Streamlining government and cutting the size of bureaucracy: supervisory positions will be reduced by 450.
- Cutting government-wide advertising by 15% saves \$3.6 million.
- Cutting consulting budgets by 5% saves \$26.5 million.
- Cutting travel costs by 3.5% saves \$2.4 million.
- Cutting budget for information systems and equipment by 3% saves \$9.1 million.
- Streamlining Pharmacare administration saves \$37 million.
- Reducing Ministry of Health administration saves \$19 million.
- Cutting administration in Transportation and Highways saves \$12 million.
- Cutting school district and ministry administrative costs saves \$7 million. No funding for education salary increases.
- Contracting air services with the private sector will cut costs by

- Continuing to combat welfare fraud and improve accountability will save more than \$20 million annually.
- Reviewing the MLA pension plan.
- Continuing salary freeze for MLAs and senior public servants and the 5% pay cut for premier and cabinet ministers.
- Revamping student loan program saves \$16 million, without hindering access to financial assistance.
- Streamlining policy functions in two ministries saves \$1.45 million.
- Eliminating duplication of financial management functions saves \$850,000.

### **Affordable Investments to Keep B.C. Growing**

- Ministry of Health spending will be \$6.6 billion, an increase of 4%.
- 1,400 staff positions moving to regional boards this year to help bring health care decisions into the community.
- Post-secondary funding up 3.8% to \$1.32 billion.
- Almost 4,800 new full-time post-secondary spaces created.
- \$106 million for apprenticeship and work-related training in high schools, for more technical education at the post-secondary level, for retraining workers in their communities, and for upgrading skills of people on income assistance to get them back into the workforce.
- \$3.4 billion allocated for the elementary and secondary schools system, an increase of 4.4%.
- Funding to promote private sector investment and job creation in all regions of B.C.