

Response to the September 2005 budget update

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Legislature of British Columbia
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It's a pleasure to rise in the House today to respond to our September budget update.

I'd like to begin by thanking all those people who have worked so tirelessly on this budget and every budget that we've had since 2001. Your efforts have really helped to get British Columbia's financial house in order. Thank you again for the hard work, the dedication and the confidence in our future of those people who have worked on these budgets.

Together we have achieved a lot in four years, and I am optimistic that even greater things can happen as we move forward. When our government took office four years ago, we had a lot of obstacles that were created during the '90s. Government spending had outpaced our revenues. B.C. was at the back of the pack in economic growth. Our communities and our families were struggling. Worst of all, young people were leaving this province by the thousands.

We knew that taking office required determined leadership. We acted immediately, under the Premier's leadership. In the first 90 days of our new-era commitments we created enough momentum to alter the direction and to chart a new course of action during our first term. It allowed us to get our physical house in order. We protected health care and education spending. It stimulated our economy, and we got our province moving in a positive direction.

Turn the page four short years, and we see a very, very different province. We have tabled two consecutive balanced budgets, with a law in place to make sure that it stays balanced. We've also left the decade of decline behind. B.C.'s economy is not only growing; it's diversifying and strengthening across a broad range of sectors. Today British Columbia is a leader in job creation in Canada.

Our fiscal prudence, in my opinion, is one of the reasons our economy is performing so well today. You say: "Why?" Because when government demonstrates leadership by balancing the books, we gain the confidence of the private sector. Good fiscal management translates into good investment and job creation for our citizens. As a result, people are returning to British Columbia, which is very good news for families and communities throughout this province.

As you can see, we have achieved a lot in four years, and we have a plan in place to reach greater heights in the next four. Our September budget update reflects that plan. It's about the future, and the promise which lies ahead. It's about our strength, our determination, our faith and our way of life. It's about what is possible and what we need to achieve our shared goals, not just as government but as a province, a country and a society.

People, vision, plan

We have the people. We have the vision. We have the plan to achieve our five great goals for the golden decade: to make B.C. the best-educated and most literate jurisdiction on the continent; to lead the way in North America for healthy living and physical fitness; to build the best system of support in Canada for persons with disabilities, those with special needs, children at risk and seniors; to lead the world in sustainable environmental management with the best air and water quality, the best fisheries management, bar none; and to create more jobs per capita than

anywhere else in Canada. Budget 2005 provides an important resource to fund our plan, a plan that will lead to a decade of possibilities, prosperity and limitless potential.

Budget 2005 reflects our priorities, particularly as it relates to health and education. In this area funding was not only protected but enhanced — not just this year but for the next three consecutive years — by more than \$1.8 billion. We all understand the importance of investment in education to our future, to our economy, to our health and to building strong communities. That is why the total education spending — including K-to-12, advanced education, and skills training — continues to increase year after year.

As Minister of Advanced Education, I'd like to spend a few minutes commenting on our number-one goal: making British Columbia the best-educated, most literate jurisdiction on the continent. It is important to understand that we are growing the public post-secondary system to prepare students to take their places in the province's knowledge-based economy.

Today we have more students and more spaces. Approximately 300,000 students, including part- and full-time students, are enrolled in public post-secondary education institutions in B.C. That's the highest number in the history of British Columbia.

To fund system expansion we have allocated \$800 million in capital funding over the next three years. I've had the opportunity to go throughout British Columbia looking at our campuses, and I can tell you that there are more construction cranes on B.C. campuses than there are in downtown Vancouver. We're also investing more in post-secondary education by increasing the ministry's base budget of \$1.83 billion. Over the next three years this increase adds up to more than \$195 million.

Our strategic plan will ensure the province has the ability to meet the social and economic needs of British Columbians, a province with an expanded post-secondary system and a highly skilled workforce. We recognize that our students need high-quality, accessible post-secondary education in order to succeed. As well, we need a system that is accountable, and that's why we have put into place a rigorous accountability framework that identifies the key performance measures of our post-secondary system. We are working hard to protect our investment in post-secondary education on behalf of the taxpayers.

World-class education

To compete, British Columbia's post-secondary system must ensure students are provided with a world-class education. As well, we must be cost-competitive to ensure that our students have the same ability as other Canadians to enjoy access to high-quality post-secondary education. Today in British Columbia tuition fees are close to the national average. To be more precise, B.C. has the fifth-lowest tuition in Canada. Our tuition is lower than Alberta, Saskatchewan, Ontario, New Brunswick and Nova Scotia. British Columbia's tuition fees are now comparable with other provinces.

To protect our students, we have acted to limit future tuition increases to the rate of inflation, effective September 2005. We will also increase funding to the post-secondary system by more than \$62 million this year. We will increase operating transfers to institutions by a minimum of \$120 million in 2005-2006 and 2007-2008.

Even with tuition increases limited to the rate of inflation, we recognize that money can be a barrier to higher learning. Education is an investment. That being said, today 57 percent of college students and 50 percent of university students graduate with no debt. Other students borrow to fund their education. We are offering comprehensive, flexible student assistance programs to relieve financial pressure for students in need. As well, taxpayers do a great deal to

help out with the costs associated with post-secondary education. The reality is that tuition covers less than one-third of the costs for students.

Recognizing that many students need assistance, we will provide \$450 million in funding over three years for comprehensive student financial assistance. Our system includes loan reductions for students most in need, grants for students with disabilities, debt relief programs and loan forgiveness programs. More than \$300 million is available annually for B.C. student loans.

In addition, the B.C. student loan reduction program was introduced last year in partnership with the Canadian Millennium Fellowship Foundation. This new program will forgive a portion of the provincial debt each year for eligible students who successfully complete their studies. Additional enhancements will be introduced soon.

The province is also reducing the parental contributions to the B.C. loan limits. This change will make it easier for students from middle-income families to go to college and to university. As well, we have allocated students to claim up to \$300 a year for computer-related expenses, giving students better technology access.

Where it makes sense, we will help students overcome debt by creating opportunities to work in underserved communities. This includes loan forgiveness programs for nurses, physicians, pharmacists, midwives, speech therapists and other professionals who deliver publicly funded, core services in underserved communities.

More access for students

Our budget is also about creating access for more students. In 2004-2005 Advanced Education put in place a six-year strategic investment plan to create 25,000 new seats in our post-secondary institutions by 2010. In the first two years we have added 7,417 full-time-student-equivalent spaces to B.C.'s post-secondary system — 4,200 in 2005-2006 alone. Our commitment is to ensure that students with a "B" average or higher have an opportunity to pursue a university or college education.

In addition to seat growth in post-secondary education, we have created a web-based gateway called BCcampus. BCcampus enables students to take courses anywhere in the province to complement what they are learning at their home institution. More than 10,000 students enrolled in BCcampus on line in 2004-2005 — four times the 2,500 students that were enrolled in 2002.

Greater access means greater options for young people to pursue their chosen education. We are leveraging our investment in post-secondary education to ensure that future generations benefit from an excellent education system in British Columbia. As well, we are expanding to improve post-secondary education. Our budget recognizes that greater expansion of the post-secondary system is needed to meet our society's needs. By 2007-2008 the provincial government will have allocated a total of nearly \$6 billion to the Ministry of Advanced Education. As you can see, in a few short years we have made significant, meaningful, positive progress on behalf of students across British Columbia.

In Surrey and the Fraser Valley we are in the process of adding 8,000 new spaces to Simon Fraser University, Douglas College, Kwantlen University College and the University College of the Fraser Valley. This growth includes the creation of an SFU campus and a new trades and technical campus for Kwantlen University College in Cloverdale, currently in design.

In the southern interior, post-secondary enhancements abound. UBC Okanagan has created access to a major research university quickly and cost-effectively for Okanagan students. To help

fill the shortage, the new Okanagan College will provide expanded post-secondary training opportunities to meet the needs of that region as well. Two great new facilities.

Progress is ongoing, and it is aggressive. This spring we passed legislation to create the Thompson Rivers University in Kamloops. I notice both members from Kamloops are here this afternoon. The Thompson Rivers University has a mandate to provide on-line learning opportunities for students through distance education and flexible degree-completion options. We are also facilitating the creation of the new World Trade University at Chilliwack in this legislative session.

As well, we've adopted a multiministry approach to overcome shortfalls, particularly when it comes to health care and professionals and trades. Advanced Education is helping the Ministry of Health to develop a ten-year plan to train, recruit and retain more health professionals in British Columbia.

Recruiting and retaining health professionals

The capital investment of \$134 million and additional operating funds have already enabled the University of British Columbia and Universities of Victoria and Northern British Columbia to almost double the number of annual first-year medical student spaces to 224 from 128 in 2003. This represents a great increase for doctors in the province in the future. We have also added more than 2,500 new nursing spaces since 2001 — a 62 per cent increase.

Our budget is about creating research opportunities in B.C. We recognize that innovation is essential, challenging jurisdictions everywhere to carve out a piece of the knowledge-based economy. We believe that research holds the keys to our future: an innovation-based economy, a better health care system and an environmentally sustainable future for generations. The B.C. knowledge development fund, the leading-edge endowment fund and the B.C. leadership chairs and regional innovation chairs are important initiatives we started as well.

Our investment is supporting important research in a variety of areas, and our reputation for excellence in life sciences has reached around the world, especially since the Genome Sciences Centre unravelled the genetic code of the SARS virus in just one week. By contrast, it took three years to do the same for HIV.

Over the next five years, hundreds of millions of additional dollars will be invested towards research and innovation in British Columbia. Our investment in research and innovation will help to enhance the quality of life, strengthen our society, strengthen our economy and create a better environment here in British Columbia. Today top researchers and students are choosing B.C. because they know it is the best place to pursue their goals.

To be truly successful as a province, we must enlist the support of all of our people, including engaging more aboriginal students in the post-secondary education system. All of our institutions use some of their annual operating grants to deliver aboriginal programs. On top of that, the ministry's aboriginal special projects fund will provide \$1.8 million this year to support programs around the province that help aboriginal learners start and finish post-secondary education. Since 2001 the provincial government has provided over \$7.8 million to the aboriginal special projects funding for over 150 projects. Over 3,000 aboriginal learners have benefited from this funding. The primary purpose of the program is to increase participation, success and retention rates of aboriginal learners in British Columbia.

Strong public and post-secondary institutions require us to meet demands. Because all private institutions operate at no cost to government, they allow us to maintain funding levels for post-secondary education. We expect private institutions to offer quality comparable to their public

counterparts. In November 2003 we put in place the Degree Authorization Act to extend degree-granting privileges to private and out-of-province public institutions. Alberta and Ontario both have similar legislation. The act was designed to help protect the rights of our students and the quality of B.C. degrees.

International education contributes significantly to the quality of our students' education. It enables our graduates to learn about other cultures and to develop the skills needed to work in other countries, including our trading partners. Our institutions are involved through activities such as student and faculty exchanges and recruitment of international students. As well, my ministry will be developing a scholarship program to enable B.C. students to study abroad.

Excellent transfer system

Closely related to quality assurance is transferability. In that regard, B.C. is fortunate. Our transfer system is recognized as one of the most comprehensive and effective in North America. Today in British Columbia we enjoy what is possibly the most extensive and sophisticated credit accumulation and transfer arrangement anywhere in the country. We have five brand-new campuses built and under construction. We have three new buildings completed at universities to house medical programs. Over the last three academic years more than 46,000 degrees, diplomas and certificates have been awarded to B.C.'s public post-secondary institutions. This represents a 10.9 percent increase over the three academic years ending 2002.

Our students are finding work. Almost 95 percent of university graduates with bachelor's degrees are employed within two years of graduation. This is less than half the unemployment rate for British Columbians in the same range with high-school diplomas or less. Add to that the fact that more than 90 percent of college, university-college and institute graduates have jobs between nine and 24 months after graduation. As our students graduate, they will be able to pursue a wider range of opportunities, as this province delivers the largest expansion in post-secondary education in 40 years.

B.C. is a leader in post-secondary education, nationally and internationally. We know that improving on the leadership position will define our continued success as a province and will continue to allow British Columbians to define their futures and pursue their dreams.

Our update budget 2005 confirms the commitments and moves us closer to the five great goals that we have set for ourselves. It provides for a better education, enhances the lives of senior citizens, takes important steps to build relationships with first nations and reduces the tax burden for lower- and moderate-income earners. As well, it helps our communities become stronger and more secure, protects us and enhances our economy and environment, and encourages people to lead healthier and more active lives. It provides a better future for all of us through sound financial management.