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Ministry of Finance

BUDGET 2003 SHOWS B.C. ON TRACK, ON TARGET

VICTORIA – Budget 2003 shows the government’s fiscal plan is on track and ahead of schedule, Finance Minister Gary Collins said today as he released B.C.’s 2003/04 budget and updated fiscal plan.

“The plan is working,” said Collins. “The tough decisions we’ve made since we took office haven’t always been easy, but our path is clear and our determination to stay the course means British Columbians are realizing the benefits of that fiscal discipline.”

In fiscal 2002/03, every government ministry is forecast to come in within its operating budget, and the deficit is expected to be \$600 million lower than originally planned. The debt is expected to be \$3.5 billion lower than anticipated a year ago.

“As our prudent approach to managing taxpayers’ dollars is beginning to pay immediate dividends, we are able to free up more resources to encourage further growth and investment, and to continue meeting our priorities — putting patients, students and people in need first.”

These strategic investments in priority programs are taking place within the context of government’s overall fiscal plan, and while keeping the province on track for a balanced budget in 2004/05. In 2002, B.C.’s economy grew by nearly two per cent. It’s expected to grow by 2.4 per cent in 2003 and three per cent in 2004 and in 2005.

In keeping with the B.C. Heartlands Economic Strategy to open up the province, the government will complete and implement economic development plans across the province. The strategy includes new partnerships with First Nations, new investments in transportation infrastructure, new opportunities for tourism, sport and recreation from a successful Olympics bid, and a revitalized forest industry.

“We are doing our best to make the most of the scarce resources that are available,” said Collins. “We plan and budget to spend those dollars where they will do the most good — to help people and to pave the way for the economic growth that pays for everything government delivers.”

The top new spending commitment is the three-year, \$650-million transportation plan, of which \$225 million will go to improve northern and heartland roads. The plan will not increase overall debt, and the government will use its contribution to leverage an additional \$1.7 billion in investments to help finance improvements to roads, bridges and border crossings.

“Our new transportation projects will benefit all regions of the province, and will be the driving force that opens up B.C. to a brighter future,” said Collins.

To assist in the transition to a revitalized and sustainable forest sector, the government has set aside a one-time, \$275-million forestry restructuring provision. Additional budget allocations will also provide First Nations with an opportunity to participate more fully in the forest economy through negotiated revenue-sharing agreements.

“All of our forestry reforms will move us closer to our vision of a leading-edge industry that is globally recognized for its productivity and environmental stewardship,” said Collins.

For 2003/04, government will continue to protect health and education funding. In addition to maintaining last year’s \$1.1-billion increase to health-care funding, the provincial government will invest all of the \$1.3 billion in expected new federal health contributions over the next three years to improve health care. Further announcements on how these resources will be directed to best serve British Columbians’ health-care needs will be made in the weeks ahead.

In the education system, protected funding in the face of declining enrolment will mean per-student funding will rise \$51 in 2003/04. This increase is over and above the one-time funding of \$50 million allocated to school boards recently. In addition, the education budget will increase \$143 million over the next three years. Future budget increases mean per-student funding will increase by a total of \$243 by 2005/06.

A \$23-million, one-time enhancement to university and college research means the government will fulfil, two years ahead of schedule, its \$45-million commitment to fund 20 B.C. Leading Edge Chairs across the province, in medical, social, environmental and technological research. The additional funds will also support six B.C. Regional Innovation Chairs, online learning and medical-school expansion.

“These initiatives help to make higher education more accessible to students across B.C. and ensure we have the highly skilled professionals we need to build a stronger economy and a better quality of life,” said Collins.

Employment programs for people in need, intervention for school-aged children with autism spectrum disorder and a 50-per-cent increase in the number of child-care spaces eligible for subsidy assistance are among new measures to benefit families and communities.

Several sector-specific tax changes are also being introduced to foster more growth and diversification.

“Budget 2003 is a plan for prosperity that is prudent, responsible and focused on the future,” said Collins. “We have made progress — we are on track and ahead of schedule — but we have only just begun. We will continue to contain the growth of government, expand the economic growth that will sustain our social safety net and build for tomorrow.”

For the Finance Minister’s [speech](#) and more details on this year’s budget, visit www.bcbudget.gov.bc.ca online.

1 backgrounder(s) attached.

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