

*This budget shows we've turned the corner. We have put B.C.'s financial house in order by cutting the deficit, while continuing to provide the essential public services ordinary British Columbians depend on.*

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

## HIGHLIGHTS

### Financial House in Order

- Deficit cut to \$898 million in 1994/95.
- Deficit slashed by 60 per cent in three years.
- Deficit will be eliminated in 1996/97.
- Spending in 1994/95 will be limited to a 3.5 per cent increase, to \$19.63 billion. After adjusting for population growth and inflation, this is a real **cut** of 1.3 per cent.
- The 1993/94 deficit was \$1.28 billion, well below the target of \$1.54 billion. 1993/94 spending was on budget at \$19 billion. Revenues totalled \$17.7 billion.
- B.C. Endowment Fund will be eliminated; its assets of \$600 million used to pay down debt.

### Cutting Waste and Duplication to Reduce Debt

- Four government agencies eliminated: Government Air Services, Round Table on the Environment and the Economy, B.C. Energy Council, and B.C. Petroleum Corporation.
- New measures to combat welfare fraud and improve accountability will save \$20 million annually.
- The salary freeze for MLAs and senior public servants will be continued, as will the five per cent pay cut for the premier and cabinet ministers.
- School district administrative costs will be capped. No funding for education salary increases.

### Three-Year Tax Freeze and Tax Cuts

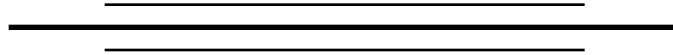
- Taxes frozen for three years. This includes Medical Services Plan premiums, and personal income, sales, and school taxes.
- \$112 million in tax cuts for ordinary British Columbians and business.
- Property transfer tax eliminated for eligible first-time home buyers.
- Full home owner grant extended to more British Columbians. Homes valued up to \$450,000 are eligible for the full grant, up from the previous \$400,000 ceiling. The grant will be phased out for homes over \$450,000. This ensures that 95 per cent of B.C. home owners receive the full grant.
- Tax breaks for small businesses — 1,000 exempted from corporation capital tax, while another 1,000 have taxes reduced.
- \$4 million of tax breaks for 500 cooperatives and family farm corporations.
- Trade-in allowance for automobiles restored.
- Threshold for the surtax on vehicles increased to \$32,000.
- Jet fuel tax rate reduced by one cent per litre for international flights.
- Reintroduction of the sales tax exemption for solar, wind and micro-hydro power generating equipment.

### Putting People First

- \$3.38 billion will be allocated for grants to elementary and secondary schools, an increase of \$130 million, or four per cent.
- Universities and colleges will receive \$1.06 billion, an increase of 3.4 per cent.
- Health care expenditures will increase by 3.3 per cent, to \$6.4 billion.

### Focus on Jobs

- \$200 million over two years for skills and training to give young people and working British Columbians the skills they need for jobs in a changing economy.
- Over 8,100 additional full-time post-secondary spaces.
- Over \$1 billion of investment in new public transit, ferries, new schools, hospitals and highways, to create construction jobs in the short run and in the long run make B.C. a better, more productive place to do business.
- BC 21 funding to promote private sector investments and job creation in all regions of B.C.
- A major new forest strategy initiative focusing on long-term timber supply, ensuring higher levels of manufacturing and assisting forest-based communities and workers.
- \$18 million of tax incentives to create jobs and improve the competitiveness of British Columbia's mining industry.
- \$10 million more to BC Focus to help small, innovative B.C. businesses expand and create new private sector jobs.



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